



NEWS SUMMARY

GENERAL

Oil rigs buzzed by Soviet aircraft

Equities up 5.8; sterling firmer

Optimism grows for Falklands settlement

Senior civil servants to get 14.3% pay rise

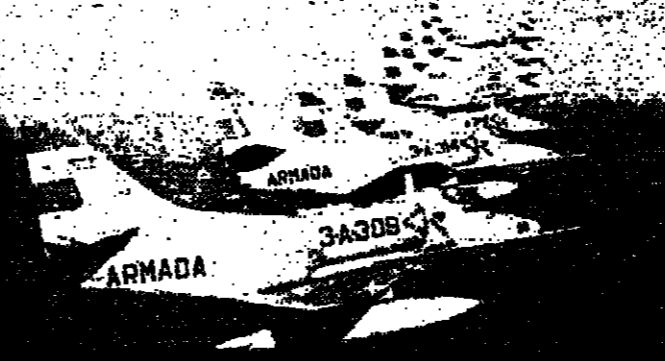
Aslef leaders reject McCarthy

Woolworth losses as executives quit

Typewriter or word processor? It depends on how much you need to remember

ARGENTINE JETS DOWNED IN RAID ON FRIGATE

BRITISH FORCES yesterday shot down two Argentine aircraft which were attacking a Royal Navy frigate in Falkland Islands waters...



A flight of Argentine Skyhawk combat aircraft

Optimism grows for Falklands settlement

HOPES OF an eventual diplomatic settlement of the Falklands crisis rose slightly last night...

Aslef leaders reject McCarthy

Woolworth losses as executives quit

EEC ready to extend trade ban

THE EUROPEAN Commission has decided to make a formal proposal to EEC governments to extend by another month...

Aslef leaders reject McCarthy

Typewriter or word processor? It depends on how much you need to remember

Senior civil servants to get 14.3% pay rise

BY ALAN PIKE

THE GOVERNMENT yesterday approved pay increases averaging 14.3 per cent for senior civil servants and officers in the armed forces and 18.6 per cent for judges.

In its report the Review Body, chaired by Lord Plowden, says that, if it had been concerned simply to draw comparisons with salaries in other occupations, there would have been a "strong case for significantly larger salaries" than those which it recommends.

Justified Mrs Thatcher told the Commons yesterday that the Review Body had argued cogently that substantial increases in the salaries of the groups covered by the report were justified, and the Government agreed.

Table with columns: Current salary, Recommendation for 1982, New salary. Rows include Civil Service, Armed Forces, Judiciary, etc.

Aslef leaders reject McCarthy

Woolworth losses as executives quit

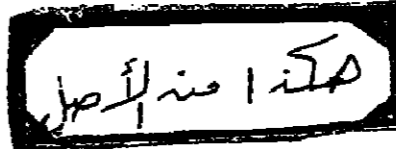
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Table with columns: American News, FT Actuarial, Foreign Exchange, etc.

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Canadian bank lending restrictions

By Jim Rusk in Ottawa

CANADA'S Inspector General of Banks has asked the country's banks not to lend more than 50 per cent of their capital to any single customer.

The federal Government is monitoring all loans of more than 20 per cent of a bank's capital. Mr William Kennett, the Inspector General, told a special committee of the Canadian House of Commons on the first day of an investigation into bank profits. The announcement of the moves comes as some financial observers are predicting that loan losses by Canadian Chartered Bank will almost double this year.

While the Canadian banking system is not in danger of collapsing, it is marked by "fragility," Mr Kennett, who was the first witness called, testified.

Before the hearings began, Mr Robin Cornwell, McCarthy Charities' bank analyst who is also a special researcher for the Commons committee, released a report predicting that actual loan losses of the five major Canadian banks in the year ending October 31 will be \$1.45bn (£674m), nearly double the \$773.6m in the 1981 fiscal year and four times the level in 1978 and 1979.

Mr Cornwell also predicted that non-current loans—those on which interest is not being paid—will decline to \$85.3bn by the end of fiscal 1982 from \$81.9bn at the end of fiscal 1981. While the ceiling imposed by Mr Kennett is not legally enforceable, Ottawa's request is being heeded by the banks which are subject to federal law.

He would not say which banks have loans which might exceed the limit but, during last summer's takeover fever, individual banks approved loans to companies seeking to buy other groups in the range of 75 to 100 per cent of the bank's capital.

At the end of February, the latest month for which data is available, Canada's chartered banks had capital and reserves totalling \$812.9bn, of which \$811.8bn was shareholders' equity and \$81.1bn was reserves losses.

Subordinated debentures, which now total \$63.7bn, are not considered part of a bank's capital, but Mr Kennett is thinking about including this amount in the system's capital base.

Setback in House for budget compromise plan

By ANATOLE KALETSKY IN WASHINGTON

THE HOUSE OF Representatives has voted overwhelmingly for a costly mortgage subsidy scheme for first-time home buyers and has repudiated the budget compromise agreed last week between President Reagan and the Senate budget committee.

The moves underline the problems facing the President in trying to cut the U.S. budget deficit in an election year. The mortgage subsidy scheme, which would cost \$1bn (£516m) in the current fiscal year and about another \$3.5bn in the next seven years, was strongly opposed by the President and Mr Robert Michel, the House minority leader, but was passed by 349 votes to 55.

This majority would be big enough to override a presidential veto if it was matched by similar support in the Senate. The Senate banking committee has already approved a slightly smaller less generous

subsidy scheme by a vote of 15 to 0. Thus the chances of a subsidy scheme of some kind being enacted are considerable. The House scheme, which was passed late on Tuesday, would reduce mortgage costs by between 4 and 6 percentage points for lower and middle income buyers of new homes. Its proponents believe that it would create 140,000 jobs by the summer and that its budgetary cost would be negligible because of the additional tax revenues generated by this refutation.

President Reagan disagrees sharply with this assessment, stressing that go new spending programmes should be introduced when the highest economic priority is to reduce budget deficits. However, it is uncertain whether he would accept the political opprobrium of trying to veto what is bound to be a popular measure in the middle

of a recession. In another political setback for President Reagan's economic programme, Republican Party leaders in the House of Representatives have announced that they are strongly opposed to a budget compromise passed last week by the Senate budget committee, with the President's endorsement.

A key element of this plan, which would reduce the budget deficit to \$106bn in 1983, and to \$42bn by 1985, is a \$40bn "savings" on social security pensions.

Mr Michel has told the President that Republican congressmen cannot accept the Senate proposal and that social security has to be "taken right off the table" before they start to discuss a revised budget.

Republican congressmen also want larger cuts in defence spending and smaller tax increases than those proposed by the Senate.

Sohio find in Gulf of Mexico

By Ray Dafter, Energy Editor

STANDARD OIL OF Ohio, a British Petroleum subsidiary, has made a major oil and gas discovery in the Gulf of Mexico.

It is the first big find on offshore licences awarded last October. Sohio paid \$133.7m (£73m) for the 2,508-acre drilling concession. In addition it agreed to a royalty tax of 16.66 per cent.

Sohio's discovery was made in the prolific Delta area, offshore Louisiana. Mr Richard Bray, president of Sohio Petroleum, described the find as "extremely encouraging."

The discovery coincides with a report from the Petroleum Industry Research Foundation which shows that large integrated companies such as Sohio drill about 11 per cent of the exploration wells in the U.S. But they contribute some 43 per cent to newly discovered oil and gas reserves.

Attorney-General's 'tax shelter' scheme

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

ANOTHER MEMBER OF the Reagan Administration yesterday became the focus of Washington publicity that he can only find unwelcome.

The Washington Post reported on its front page that Mr William French Smith, the Attorney-General, had personally invested \$16,500 (£9,016) in an oil and gas "tax shelter" late last year that gave him about \$66,000 in tax deductions.

The Post said the figure was at least twice that permitted by a current Internal Revenue Service ruling. The wealthy Mr French Smith and his partners apparently relied on a tax opinion from a Los Angeles law firm that says it hopes to beat an IRS court challenge, although it warns that "there are risks and uncertainties on a number of tax issues."

The irony is that Mr French Smith, as Attorney-General, represents the IRS in court and is supposed to defend the federal

Government in challenges to IRS actions and rulings, such as the one in question, the Post said. The law firm believes that the ruling, which challenges the basic concept of the tax scheme involved, has been superceded by a subsequent Federal Appeals Court decision in California.

The Post's revelations, which it said were based on 200 pages of confidential documents, came the day after Mr Raymond Donovan, the Labour Secretary, appeared before a Federal Grand Jury investigating charges of wrongdoing against him.

He is alleged, as an executive of a New Jersey construction company, to have been present at a 1977 lunch during which another company executive handed an envelope containing at least \$2,000 in cash to a local union leader. Mr Donovan has denied any wrongdoing.

Anti-trust Bill helps shipping

MOVES TO shield international shipping lines against the full force of U.S. anti-trust laws have been taken a step further with the approval of a regulatory reform Bill by a House of Representatives committee.

But, since there is also a more extensive Bill before the Senate, shipping experts expect a composite measure to be drawn up this year. The two Bills are similar, but differ as to how rate-setting conferences should be regulated.

The House Bill, introduced by Representative Mario Biaggi, was approved this week by the House Merchant Marine Committee. It is now to go before the Judiciary Committee.

The Senate Commerce Committee recently passed the Bill brought in by Senator Flavio Gorton, which tends to favour the open conference system. Under that measure, lines would be able to join rate-setting groups without the approval of other members required in the closed system.

The Biaggi Bill, co-sponsored by Representative Walter B. Jones, envisages approval of closed conferences, which have been hindered by U.S. anti-trust law, although they are common in trade with Europe or the Far East at its hub.

Last autumn, shipping companies trading across the North Atlantic agreed to a \$51.4m settlement of a civil anti-trust suit in the U.S. Executives then said they detected a softer line in Washington on anti-trust shipping policy.

The present session of Congress will end in September. The industry hopes that a composite Bill can be produced by both houses by the end of July.

The Reagan Government has announced its willingness to have shipping conference activities released from anti-trust regulations, but international ship-owners are uncertain as to that attitude will be put into practice.

Sarita Kendall in Quito reports on the uncertain outlook for the country's economy

Oil exploration key to Ecuador's future



WHEN OPEC last met in Quito nearly eight years ago, Ecuador's earnings from crude oil had just made a spectacular jump and its economy was taking off. The euphoria of that has completely disappeared, and Ecuador hosts the Opec conference starting on May 20 with more concern about the world oil market than most of its fellow members.

As development projects are slashed and the foreign debt mounts higher, the state oil corporation, CEPE, is trying desperately to maintain Opec's official price of \$34.25 (£19) a barrel for long-term sales contracts. Spot prices have improved slightly, from \$30.80 a barrel to \$32.14 for a recent Colombian sale, but most of Cepe's crude goes to Uruguay, Brazil and Korea.

As yet, no agreement on prices for the second quarter has been reached. No doubt this will lead Sr Eduardo Ortega, the Energy Minister, to seek support from his colleagues, while Venezuela has already publicised Ecuador's plight and offered help. As a last resort, Sr Ortega says that

Venezuela would undertake to refine Ecuadorian crude and market it. Though Ecuador only exports some 100,000 barrels a day, crude sales brought in 61 per cent of total export earnings in 1981. Oil also accounts for over a third of the Government's income, and the 1982 national budget has already been pared to the \$34 price level. Any further setback in prices or export volumes will have a drastic effect on this year's investment plans, and exacerbate President Osvaldo Hurtado's considerable political problems.

The public foreign debt is expected to pass the \$5.5bn mark by the end of 1982, including new loans of \$400m required to balance the budget. With exports of about \$2.5bn and international reserves under \$500m this leaves little leeway, particularly as Ecuador has the bad luck to export other commodities — cocoa, coffee and bananas — which are also plagued by marketing problems.

Spot sales made over the past month have reduced crude stocks to manageable volumes—

This is the fifth article in a series examining the effect of pressure on oil prices in selected producing countries.

under a million barrels—and, once new storage tanks are built, Ecuador will have greater flexibility. The Government has cut output to 200,000 b/d (last year's average was 215,000 b/d), but Cepe is planning to bring in new fields producing 25,000 b/d before the end of the year. Another 25,000 b/d will be added in 1983 if all goes well, keeping exports steady for a short period.

The longer term outlook is very uncertain. Cepe's first drilling in the Gulf of Guayaquil, using a Mexican offshore

platform, has struck oil at 13,000 ft but officials are being very cautious in their forecasts and it may not prove commercial. Whatever the result, the discovery is encouraging because only natural gas deposits have been found in this area up to now. Cepe is also starting exploratory drilling in the south-east Amazon region, not far from Peruvian fields.

The state corporation's financial and technical resources put serious limitations on exploration activity, however. Two foreign companies—Texaco and Clyde Petroleum—are teamed with Cepe in exploitation ventures, and a third—YPF of Argentina—has just pulled out after failing to make any viable discoveries. The Transnational are waiting for new exploration contracts, first discussed by the military government over five years ago and put to Congress by the current administration.

Large-scale oil exploration is vital if Ecuador is to remain an oil exporter—and Opec member—after 1985. The Government says the main Amazon reserves are as low as 650m barrels, though Texaco's esti-

mates are higher. An independent company has been called in to do a study.

Despite last year's fuel price increases, petrol is still nowhere near the international average and consumption continues to rise at over 12 per cent a year. To cover domestic needs, state refining capacity is to be expanded by 25,000 b/d as soon as possible, while another 75,000 b/d refinery planned for the future would absorb the remaining output of crude.

This gloomy panorama is further darkened by problems in other areas of the economy: the private sector has been clamouring for measures to rescue industry from the doldrums, and the trade unions want a 75 per cent increase in the minimum wage. Even after partial devaluation and the establishment of a multiple exchange system with the sucre varying between 25 and 30 to the dollar, the free market rate is still around 45. The Government has banned vehicle and many luxury imports to reduce the current account deficit, and is making impassioned appeals for national austerity.

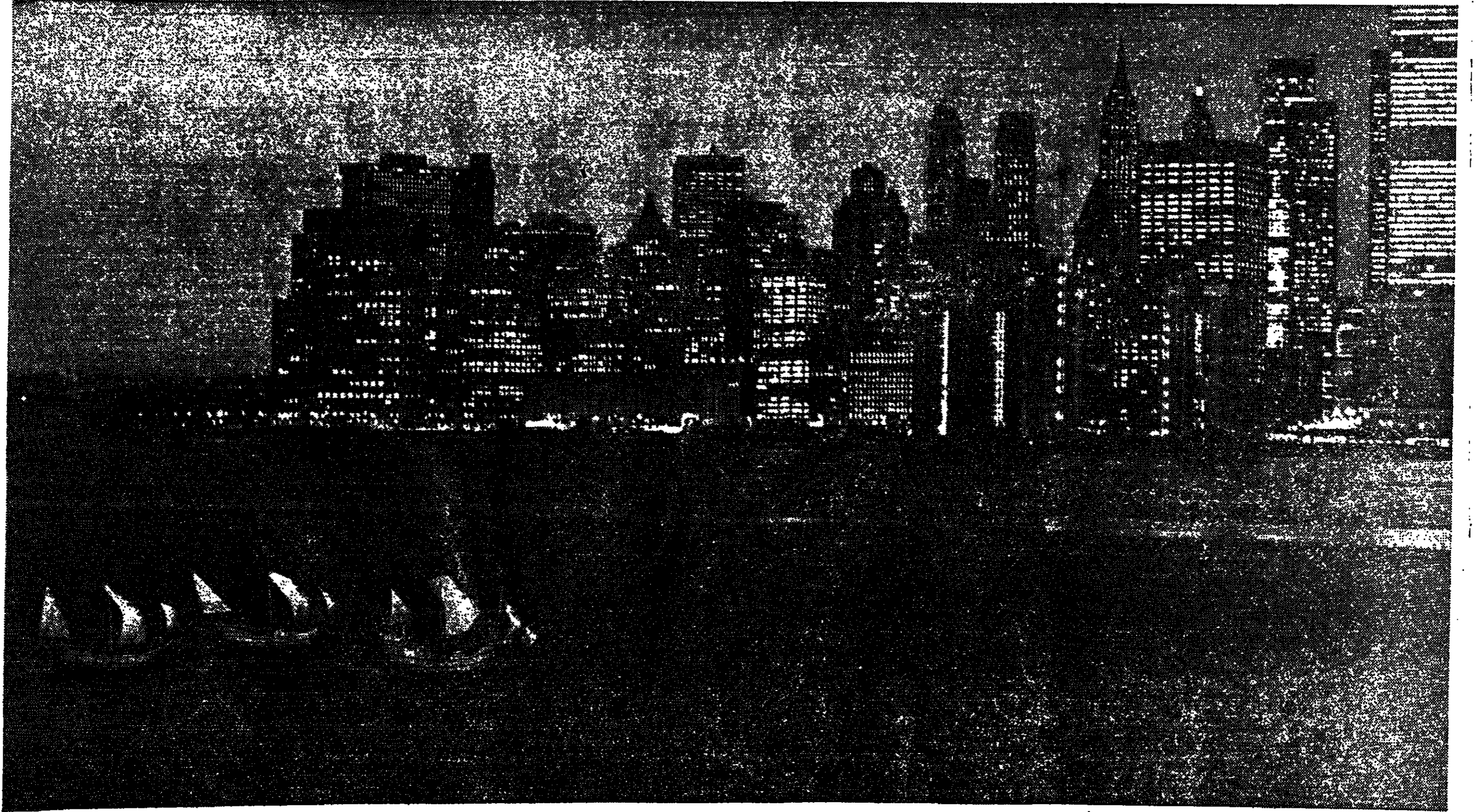


President Hurtado: political problems.


The very high oil-based growth rates of the 1970s and the slump back to a 4 per cent level—perhaps less this year—have brought a curious schizophrenia: though it is widely agreed that Ecuador must reduce its oil dependence, hopes are firmly pinned on another major oil discovery. By taking so long to come up with an attractive exploration contract, however, the chances of such a discovery recede further into the future.

Move in House to limit Salvador aid

AID TO El Salvador would be limited to \$75m (£41m) in a new Caribbean Basin plan approved by two House of Representatives foreign affairs subcommittees, AP reports from Washington.



IT PAYS TO LISTEN. Columbus' ideas fell on deaf ears for years before Queen Isabella finally chose to listen. It's a lesson that wasn't lost on Sperry. Listening keeps us alert to ever-expanding possibilities in computer science, aerospace and defence. What's more, it helps us expand them ourselves. Real breakthroughs increasingly occur when seemingly unrelated advances get connected — and then suddenly, explosively fuse. This takes an attentive, imaginative kind of listener who combines the unlikely in unexpected ways. It's why, at Sperry's Research Centre, scientists from eighteen totally different disciplines regularly meet. To listen to each other. We at Sperry are convinced that listening well ignites new insights, guides us into uncharted areas of thought, and ultimately uncovers whole new worlds.



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OVERSEAS NEWS

S. Africa lifts veil on plans for race reform

BY J. D. F. JONES IN CAPE TOWN
FUNDAMENTAL changes in South Africa's system of government... including a powerful executive presidency and the inclusion of coloured (mixed race) people and Indians in both the legislature and executive—but no change in representation for the black majority—have been put forward in Cape Town in the long-awaited report of the Constitutional Committee of the President's Council.

Robert King in Taipei explains why forecasts for the republic are gloomy Foreign markets depress Taiwan's euphoria

TROUBLES ARE being predicted for Taiwan's economy and industry over the next few months. The difficulties stem from the island's reliance on external trade as the major source of its economic well-being. With major market countries in recession, trade-oriented manufacturers, almost without exception, are short on orders, with no relief in sight.

Thais plan 9.9% rise in state spending

THAILAND'S GOVERNMENT has approved modest 9.9 per cent increase in projected spending for fiscal 1983 starting October 1 compared with a 15 per cent rise this year.

Gulf seeks renewal of Egypt links

KUWAIT—The Gulf States are "searching for a basis" to return Egypt to the Arab ranks, according to the Emir of Bahrain who has just completed a three-day visit to Kuwait.

Precarious ceasefire in Lebanese port city

A PRECARIOUS ceasefire seemed to be holding in the northern Lebanese town of Tripoli yesterday, after four days of fierce clashes between pro-Syrian factions and their local opponents. At least 60 people died and 200 were wounded in the fighting.

India unhappy about World Bank report

INDIA'S Finance Ministry believes the World Bank is presenting an inflated and distorted picture of the country's economic problems.

THE FALKLANDS CRISIS

BRITISH TRADE IN PRO-ARGENTINE VENEZUELA Heads down and hoping for the best

BY KIM FUAD IN CARACAS
WE'VE KEPT our heads down since it started, but we can't go on like this forever, a British businessman said this week in a comment on the impact which Venezuela's strong pro-Argentine position over the Falklands crisis has had on Anglo-Venezuelan trade.

Industry attacks Galtieri's monetarism

BY Hugh O'Shaughnessy in Buenos Aires
ARGENTINE industrialists are seeking urgent talks with President Leopoldo Galtieri in an effort to reverse his Government's monetarist policies. They complained that the policies are pushing the economy into deep recession and producing a wave of bankruptcies.



Captain Frank Grenier of HMS Liverpool, pictured in front of the Type 42 destroyer, Sea Dart missile system after accepting the ship into Royal Navy service at Plymouth yesterday.

The UN's quiet pursuit of peace by the East River

BY PAUL BETTS IN NEW YORK
A SMART restaurant, with glass-covered veranda, called La Bibliotheque overlooks the green-blue United Nations tower by Manhattan's East River. It is the perfect vantage point to observe at a privileged distance, the frenetic coolings and goings at the UN of the past few days.

Argentines debate price of Soviet aid

By Hugh O'Shaughnessy and Jimmy Burns in Buenos Aires
CONTRADICTORY is continuing in Argentina over the degree of support the armed forces should accept from the Soviet Union in their dispute with Britain.

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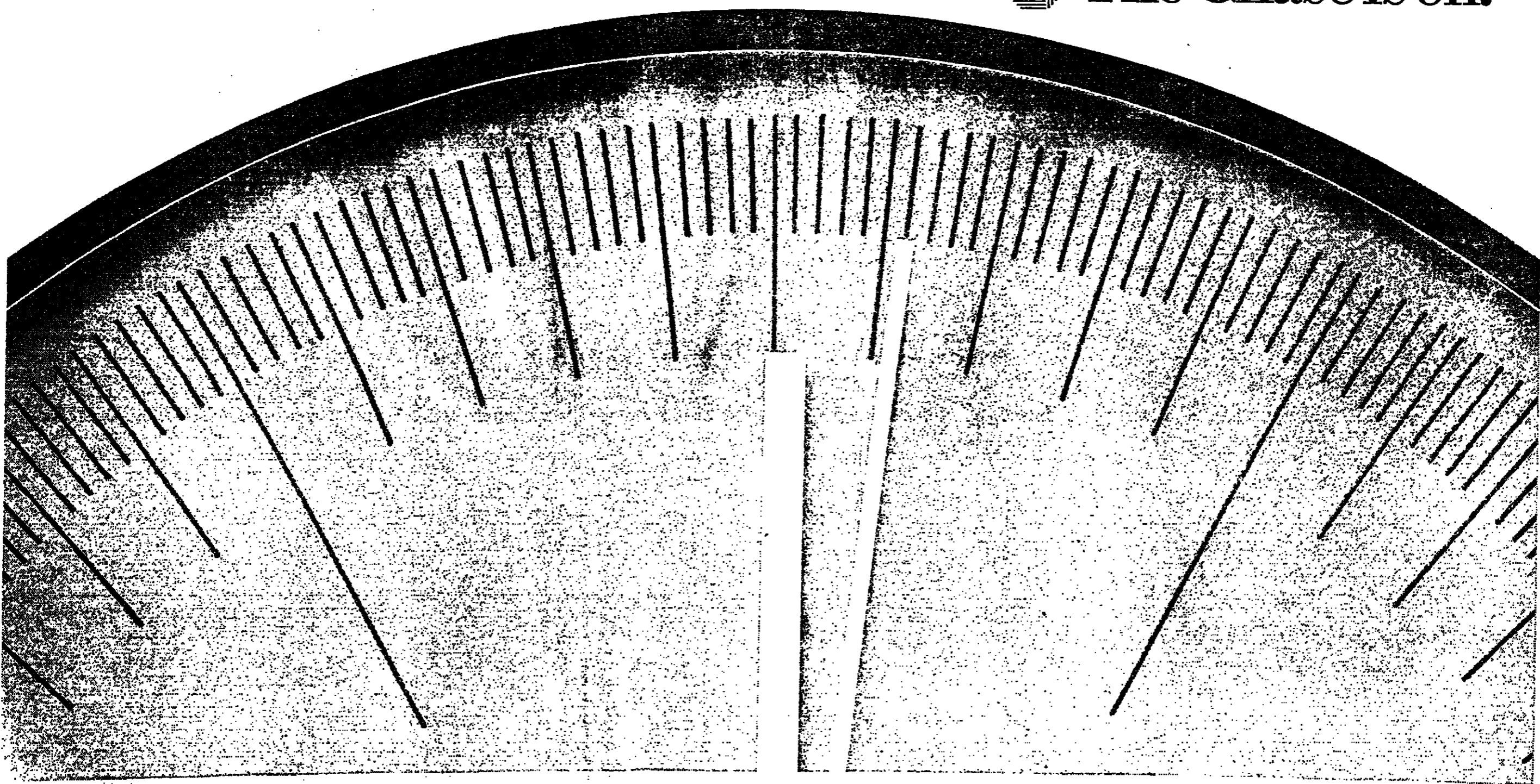
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WORLD TRADE NEWS

The EEC is trying to bring car makers more into line, writes Kenneth Gooding European motor industry in price debate

THE EUROPEAN motor industry is using its considerable lobbying power to attempt to head off EEC legislation which would bring car prices through-out the Community more into line.

Behind the move is the European Commission's determination to force down prices in some countries, such as the UK, where they are well above the European average.

This would help eliminate unofficial imports from Belgium to the UK and from Denmark to West Germany, over which a potentially embarrassing row has been developing.

The Commission's competition division is already investigating several allegations about steps some companies and their national Governments have taken to stem the trade.

At the centre of the controversy is what has become known in the industry as the "12 per cent clause," which is contained in the preliminary draft of an EEC regulation. The clause aims to make sure that the tax free price for any particular model of car does not vary by more than 12 per cent between one EEC country and another.

The Commission has slipped the clause into a regulation designed to simplify the rules which enable car manufacturers to operate through exclusive dealer networks, even though in theory such networks contravene the EEC competition laws.

The Commission's argument seems to be that if any manufacturer is so greedy as to want more than 12 per cent extra in any country, unfettered com-

petition should be allowed to come to the aid of the consumer.

The present arrangements contain considerable impediment to free trade to protect the official dealer networks. The Commission has ruled that preservation of these official networks is in the public interest.

Under present conditions, a dealer is obliged to accept an order only if it is from the final customer or his agent. No unofficial dealer is permitted to buy in bulk. Each order must be for a specific car for a specific customer.

However, the 12 per cent clause would allow wholesale trading in cars between one country and another if the 12 per cent barrier was breached by a manufacturer.

Through the CLCA (Comité

de Liaison de la Construction Automobile des Pays des Communautés Européennes), European manufacturers are preparing their defence.

The industry, broadly speaking, argues that the potential regulation about block distribution agreements is not the right place for a clause about prices.

The manufacturers also maintain that the 12 per cent clause, far from bringing top prices down, would force the low ones up.

European consumer associations blame the industry for the extreme differences in prices between the EEC countries.

However, the manufacturers insist that national taxation policies are the root cause. To keep the retail price

within reason, the manufacturers fix their own prices at extra low levels in those countries. That would have to change if the 12 per cent clause was introduced.

The debate about the proposed regulation is likely to last at least until the end of the year.

In theory, the regulation could be put into effect by the Commission without any reference to parliament, but the industry has been promised that the European Parliament's social and economic committee will debate it at some stage.

Hence this month's activity and the industry's message to Euro-MPs: "There can be no free trade in cars in the EEC because there is no economic harmony within the Community."

Swiss seek deal on Soviet gas

By Brij Khindaria in Zurich

SWITZERLAND is seeking between 250m and 400m cubic metres of natural gas annually from the Soviet Union up to the year 2000.

Negotiations on the deal are nearing completion.

The gas will be channelled to Swissgas, the Swiss distribution network, by Ruhrgas, the West German network, which will buy it from the Soviet Union. The cost is estimated at about SwFr 110m (£31.5m) annually. Switzerland already buys about 1bn cu m of gas at a cost of SwFr 264m from the North Sea.

Negotiations with the Soviet Union are being conducted by Ruhrgas which will supply Switzerland from an estimated 12bn cu m quota received by West Germany.

The price is still being discussed but it is expected to include a fixed base supplemented by a formula which takes account of market conditions and energy price fluctuations. The price provisions would be reviewed every three or four years.

Mr Raulf Kohler, president of the Swiss Gas Industries Association, told an information seminar in Lausanne that reliable comparisons between the cost of Soviet Gas and European gas from the North Sea cannot be made until Ruhrgas completes the negotiations later this year.

Soviet Gas will make up only about 18 per cent of Switzerland's total gas needs and just 1 per cent of its total energy needs in the 1990s, discounting any risk of excessive dependence on the Soviet Union.

New York plans state eximbank

BY PAUL CHESTERIGHT, WORLD TRADE EDITOR

THE New York state authorities are seeking permission from the U.S. Government to launch an international trade bank on the domestic financial markets which might fund a state export-import bank.

Such a development, if successful, could transform export financing in the U.S., providing relatively cheap funds to medium-sized companies hitherto outside the exporting network.

At present export finance for U.S. companies through the Export-Import Bank of the U.S., working on a national level, is limited. U.S. export credits are generally at higher interest rates than those provided by countries like Japan, France and the UK.

If the state export-import bank succeeds, in a few years every state with export potential would do the same. Mr George Dempster, Commissioner of New York State Department of Commerce, said in London yesterday.

A state decision on whether to establish an export-import bank will be taken by the end of the summer. But it can work with or without the proceeds from an international trade bond, Mr Dempster said.

It would take about 18 months to establish the bank, by which time discussions on the bond with the federal authorities will have concluded.

Mr Dempster envisages an initial fund-raising of up to \$500m (£272m). This could rise to \$1bn in three years and up to \$5bn by the end of the decade.

Under present conditions, the bond would offer interest of around 11 per cent to investors. This would mean that export finance could be provided at 12 per cent, said Mr Dempster—a cheaper rate than is currently available, and one more competitive with Japanese and French rates.

If Washington refuses to permit the launching of trade bonds, alternative financing for the bank would be sought through an initial appropriation of \$25m from the state and subscription of a similar amount from commercial banks.

"With that we could leverage \$200m, and with that we could borrow at a lower rate than medium-sized companies can obtain," Mr Dempster said. But this alternative method of financing would mean companies would have to pay 14 per cent for export loans.

The establishment of the bank is part of a wider plan to safeguard the state's economic future by increasing its role in world trade.

A further part of this plan is to attract increased foreign investment and Mr Dempster's visit to London has been directed to this end. He is a member of a New York City mission to the UK, extolling the virtues of setting up manufacturing facilities in the city.

Direct British investment in the metropolitan area of New York is worth about \$12bn, but has largely been in the services sector rather than manufacturing. About 300 British companies have been interested enough in New York's investment potential to attend the mission's seminars.

Irish to boost incentives to overseas industrialists

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

STRONG INCENTIVES to overseas companies investing in Ireland will remain an element of the new Government's economic strategy, Mr Albert Reynolds, Minister for Industry and Energy, told British businessmen yesterday.

Industrial incentives had attracted more than 800 companies to Ireland, he told an Institute of Directors lunch in London.

"We will not only continue them, but will improve them to ensure that Ireland remains, as it has been for many years, the most profitable location in Europe for the industrialist."

Mr Reynolds stressed that during the past five years nearly 30 per cent of Ireland's GNP had gone into fixed capital formation activities like a new telecommunications system, third-level education with the emphasis on technology and industrial development.

The Irish Government is at present drawing up a new economic plan which it hopes will further improve the prospects for industrial growth.

It will be published as a White Paper before the end of the year and then subjected to consultations with trade unions and employers' organisations.

UK tops champagne market

BY GARETH GRIFFITHS

BRITAIN has recovered its position as the top export market for champagne. Its champagne imports rose by 13.4 per cent in the first three months of this year compared with the same period in 1981.

Figures released yesterday by the Comité Interprofessionnel du Vin de Champagne (CIVC), showed champagne imports to Britain of 1,958,005 bottles, compared to a first quarter total of 1,726,354 bottles in 1981. U.S. imports were 1,609,005 bottles and Germany, the third most important market, imported 990,082 bottles. Both the U.S. and Germany recorded decreased import levels in contrast to the UK.

Champagne importers and shippers say the improvement masks the underlying problem of champagne supplies.

Much of the build up in British imports was due to price increases stockpiling.

Champagne prices rose by between 30 per cent and 40 per cent in March and consequently a levelling off is expected in business.

The shortage of champagne has been caused by poor harvests during the past three years. Some houses are limiting their exports to smaller markets such as Sweden and Holland by a quota system.

But key markets such as the UK and the U.S. are unlikely to be affected and champagne producers say that export markets will receive priority over French customers.

Total stocks have fallen by the equivalent of about a year's production in the past three years.

A high proportion of French sales were, however, of the cheaper champagnes and the CIVC says it is keen to protect champagne's high status market.

Monsieur Andre Enders, the head of the CIVC's public affairs department, said yesterday in London that during the next ten years some 5,000 hectares of new vines would be planted within the Champagne zone.

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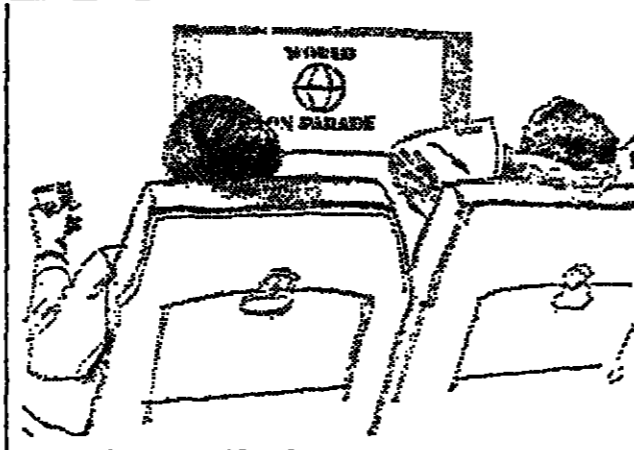
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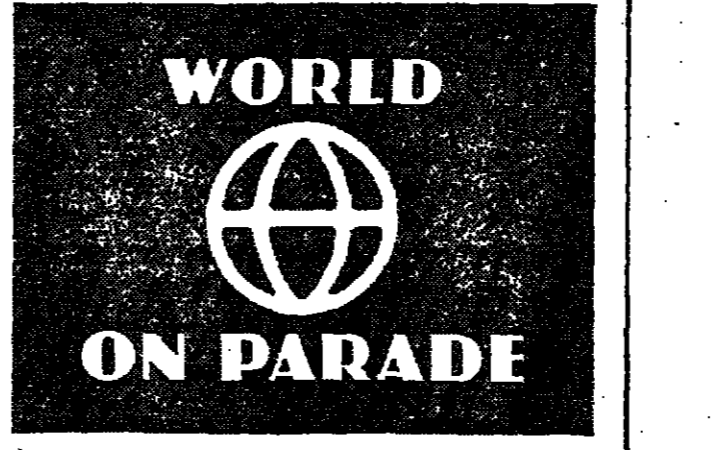
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Taiwan ship orders claim

TOKYO — The Marubeni Corporation said Taiwan's Evergreen Marine Corporation has placed a \$53bn (£133m) order with a Japanese consortium of three firms for eight 34,000 dwt container carriers.

The Japanese group won the order through Evergreen's Panamanian subsidiary, out-bidding Korean shippers which have beaten Japan in the past year in an international race for ship orders, said Marubeni.

Krupp wins £69m Tunis turnkey contract

By James Buchan in Bonn

KRUPP POLYSIUS-France the wholly owned subsidiary of the West German Krupp Polysius concern, has been awarded a FFf 760m (£69.4m) order to build a turnkey cement plant in Tunisia.

The plant at Birm'cherga just outside Tunis, is expected to begin operations at the start of 1985 and will produce 3,500 tonnes of clinker per day.

This will increase domestic Tunisian cement production by a third to 4m tonnes per year.

The order, from the Societe Des Ciments de Jebel et Ouest, foresees a 45 per cent participation from Tunisian concerns in the commissioning of the project.

The West German Krupp Polysius is itself a subsidiary of the Friedrich Krupp Diversified Industrial Group.

Apple in Japan move

TOKYO — Apple Computer Inc of the U.S. will establish a new wholly owned subsidiary in Japan in July.

It will market independently personal computers after completing a two year sales contract with Toray Industries Inc at the end of June, said the company.

Other details of the subsidiary, temporarily called Apple Japanco, are not yet available.

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UK NEWS

Swansea sets up a self-help business scheme

BY ROBIN REEVES, WELSH CORRESPONDENT

A NOVEL scheme to encourage unemployed people to start up in business of their own, has been launched by Swansea City Council. The Business Entry Scheme guarantees participants the same income — for six months — as they would receive had they stayed unemployed. It is open to anybody living within the city boundaries who has been unemployed for a minimum of a month. If the person's earnings from the new business falls short of the level they would have received in either unemployment benefit or social security payments—between £50 and £60 a week—then their income is topped up from city funds. Swansea Council has channelled £80,000 over a year (through its own development company) which has greater operating flexibility to underwrite the cost of the scheme. It has already approved applications from 35 would-be executives of whom 21 have started trading. A further 15 applications are being considered. Income topping-up, where required, is made on the basis of accounts drawn up for each business every four weeks. This book-keeping service is paid for by the council, but Mr Roger Warren Evans, director of Swansea's Trade and Industry

Advance credit for art sales offered

By Antony Thornicroft

A SERVICE which ensures immediate cash for works of art while they wait—sometimes for a long time—to be auctioned was announced yesterday by Fine Art Funding in association with First National Securities, a leading consumer credit company. Under the scheme, the owner of a work of art can receive up to 50 per cent of its reserve value with the remainder coming once it has been sold at auction. The interest charge on the advance is 1 per cent a week with a minimum charge period of eight weeks. The repayment of the advance, plus interest charge, is made when the work of art is sold at auction.

The attraction of the idea, apart from a quick realisation of an asset, is that works of art can be held back for specialist sales rather than disposed of quickly through general sales. The main problem is the fixing of the reserve price. If an auction house overestimates the value of an object and it sells for less than half the reserve the auction house will be expected to pay the remainder of the debt to First National Securities.

Urban transport systems adapt to fresh demands

Hazel Duffy finds some intriguing comparisons in Jane's new annual and puts LT's funding problems into perspective

THE first edition of Jane's Urban Transport Systems, published today, comes at a particularly appropriate time. Urban transport may not have the romantic ring of some of Jane's more famous publications, such as World Railways and Fighting Ships, but the changes that have followed London Transport's cheap fares policy and the Law Lords' ruling has thrust international comparisons with London's once superior system into a new position of importance. The international information contained in the book is extensive. Rail systems in 182 cities and bus systems in 298 cities are covered, along with details of their equipment, services and finance, and there is a separate section on vehicle and equipment manufacturers. From San Diego to Tashkent, from Trondheim to Santiago de Chile, the reader can learn the

times of the first and last trains and buses and the maximum summer temperature in underground tunnels, as well as more relevant information on the number of passengers, route length, fare structure, methods of fare collection and evasion, and the proportion of trains and buses which are one-person operations. In the Eastern bloc, where urban transport systems are a matter of pride as well as necessity because of the much lower density of private cars, low fares policies produce a much higher usage of public transport than in the West. The Moscow metro, for instance, which has less than half the route length of London Transport, carries 2,340m passengers a year against LT's 539m. Operating subsidies are accepted as necessary in almost every city, although it is much more difficult to define the subsidy level which is needed to run an efficient system. In the U.S., for instance, the Reagan Government has announced that urban transport funding will be returned to the control of individual states, operating assistance to bus and urban rail systems will be phased out over three years and federal funding of new urban rail systems will be deferred indefinitely. LT's problems must seem mild in comparison—the Gov-

ernment has said that it will not cut its subsidy this year. The book's editors, however, comment that LT, "while doing its case no good by its abysmal productivity record over the years, has a justifiable complaint that it must provide 75 per cent of its operating costs from fares when most other major systems in the world provide only 30 to 50 per cent." In spite of the problems in the U.S. and London, the overall impression conveyed by the book—which Jane's plans to publish annually—is that urban transport systems are expanding, adapting to new demands, and coming up with new technical ideas. Mr David Howell, Transport

Secretary—who, with a team of officials at the Department, is studying ways of bringing about a more efficient system in London — has recently visited Munich and Hamburg, where he was much impressed by the efficiency of services and the stability that had been achieved on their public transport system. He also visited Paris soon after taking office where he must have been impressed by the fact that Régie Autonome des Transports Parisiens (RATP) is forecasting an annual increase in passengers of 1.7 per cent until 1985 (in 1980 it carried 1,317m passengers). By contrast, LT has lost 20 per cent of its bus passenger fares since March 21, when fares doubled, and 10 per cent of its Underground business. Jane's Urban Transport Systems 1982. Price £45.50.

GKN completes build-up of axle capacity

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE HEAVY axle division of Guest-Keen & Nettlefold has completed a £12m investment programme which, together with increased productivity and greater labour flexibility, has raised potential output at the site by almost 70 per cent. The division, which opened a new assembly area at Kirkstall, Leeds, yesterday, the final stage of a five-year investment programme, has suffered from the steep downturn in the commercial vehicle market. The GKN Axles Company has shut two plants in Lan-

cashire and Devon. The Leeds heavy axles division has also reduced its labour force, from 2,000 to 1,200 in the past four years, partially linked to the introduction of new equipment. It has recently been increasing output, however, partly as the result of having a wide spread of customers, including manufacturers of dock vehicles, fork-lift trucks and military vehicles. A third of

its capacity has been directed towards producing equipment for the oil industry. The division, which supplies axle transmissions to 150 vehicle builders, is also attempting to secure a foothold as a supplier to Japanese manufacturers. It has recently supplied axle prototypes to Komatsu and is in detailed technical discussions with Hitachi Excavators. The Amalgamated Union of Engineering Workers, the sole recognised union on the shop-floor at Leeds, has agreed to increased flexibility over the past five years. Apart from the introduction of new equipment, the division has been altering the working environment in the sub-assembly areas to help improve workers' self discipline and job satisfaction. The division claims the new

plant is the most modern in the world, and will raise potential output from 30,000 to axles a year. The division has a further £2m programme for machinery updating but management has not obtained all the productivity improvements it would like. It has been unable to obtain acceptance of a general removal of ceilings on output-linked bonus payments. Union representatives fear pay differentials would be distorted if the ceiling were moved.

Local interests unite over Scottish take-over battle

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

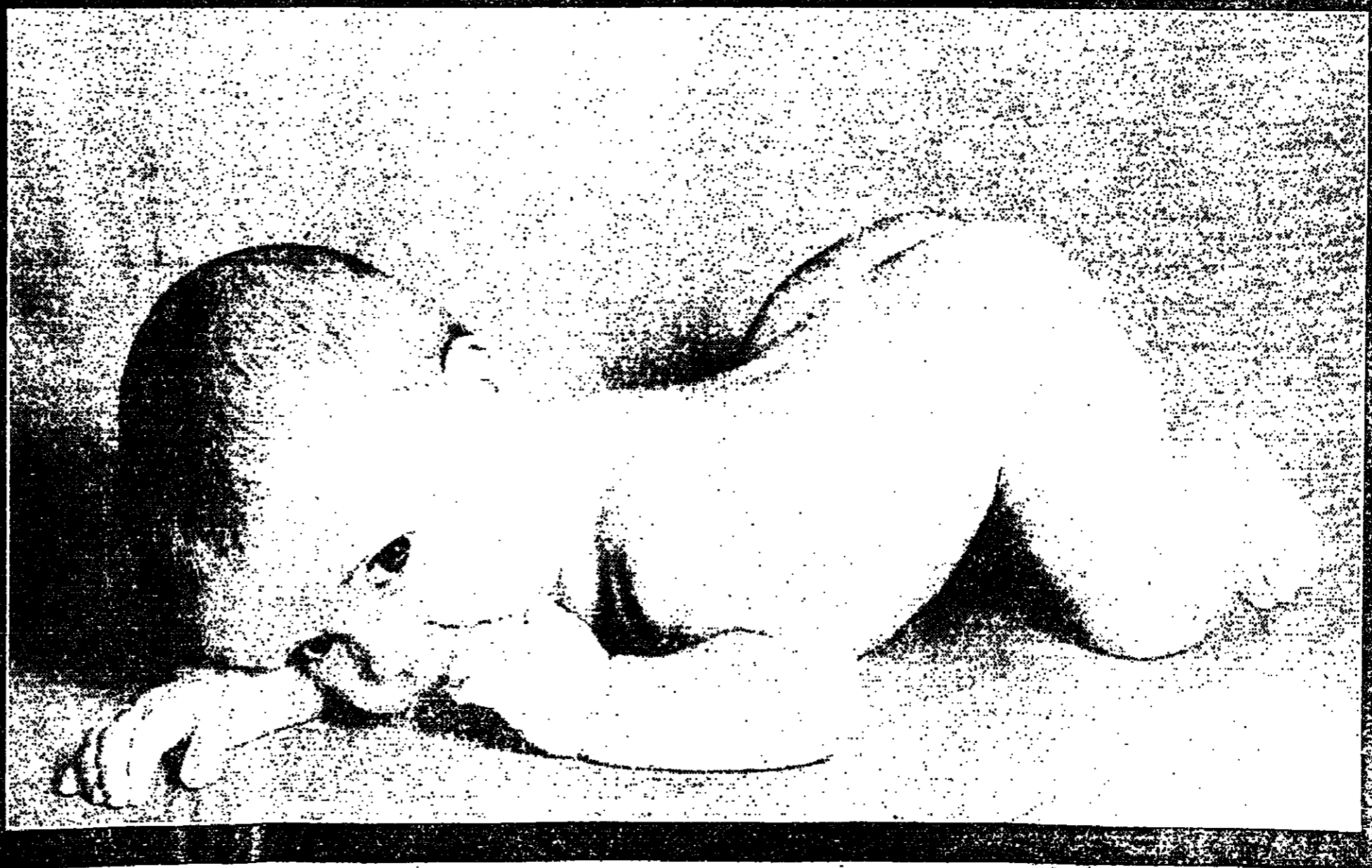
AN OUTSIDE bid for Anderson Strathclyde, the Glasgow-based mining equipment manufacturer, has activated a powerful defence mechanism in Scotland ready to protect the region's remaining key industries. Though the Charter Consolidated, the mining finance group, would mean the loss of autonomy for Scotland's third-largest engineering company after Weir and Howden, Anderson is also Scotland's fifth-largest employer — with 4,500 workers — and its 11th largest company in terms of turnover. The opposition moves are from a lobby which spans political parties, government officials, industry and trade unions. Its members are convinced that there is an established case for maintaining industrial decision-making in Scotland. The Monopolies and Mergers Commission's rejection of outside takeover bids for Highland Distillers in 1980 and The Royal Bank of Scotland this year has made important precedents for the protection of vital Scottish interests, say Government officials monitoring the Charter Consolidated bid. Anderson Strathclyde sees a "referral" to the commission as one of the options open to it. However, Mr Ian Little, assistant managing director, is hoping to see off Charterred on the basis of the Glasgow company's record. There could be political opposition to the repeated use of government mechanisms to protect industries in the region from free market forces. The battle over The Royal Bank was different. The bank wanted to merge with Standard Chartered and the struggle became a highly public affair. Anderson Strathclyde's defence is initially likely to be conducted from behind the scenes in the form of a counter-raising exercise carried out largely by the company itself. It is clear that the Scottish Office as well as the Scottish Development Agency is already taking a strong interest in the progress of Charter's bid. Anderson Strathclyde is high on the list of "core industries" — about 20 to 30 companies whose headquarter presence in

This is Thomas. One day, he might win the Nobel Prize. Or perhaps he'll even get a job. (Anything's possible, after all.) But for two hours last Autumn, all his glorious futures hung in the balance. He contracted an infection. His temperature soared and he fell into convulsions. Before we got together with British Telecom, four hours might elapse between the development of serious symptoms and a patient's admission to hospital. Now, thanks to the national radio paging system, a doctor can be alerted to an emergency by a 'bleep,' carried about his person, enabling him to save vital minutes in the treatment of serious illness. So it was with Thomas. His GP was at his side within an hour, and a potentially-fatal situation defused. One day, he'll know enough words to thank his lucky stars. Meanwhile, it's hard to resist raising

an eyebrow at those who depict the microchip as the harbinger of a new Dark Age, in which honest flesh and blood will be surplus to requirements. For there's nothing inherently sinister about a silicon chip. It is, after all, merely a slave. It does what it's told. We tell ours, among other things, to train pilots in our flight simulators; to entertain us through our television and recorded music systems; and to take the drudgery out of office work through our advanced, desktop Teleputer terminals. In fact, Thomas will bump into us in all sorts of unexpected places as he grows up. And we believe that, thanks to us, his world will be rather better than the one he almost left, last September.



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Alliance gives Tories control of Lothian

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

CONSERVATIVE and Liberal-SDP Alliance councillors yesterday announced an agreement giving the Tories effective control of Lothian Regional Council. Labour lost power there in last week's regional elections. Labour and the Conservatives tied with 22 seats each and the Tories needed the support of the three Alliance councillors for the 25 votes needed to control the Edinburgh-based council. The signed agreement between the parties is thought to be the first of its kind between Conservatives and the Alliance in local government although both sides deny it amounts to a coalition. Under the six point agreement, the Alliance said it would not oppose Conservative nominees for places in the administration. But an Alliance councillor is to become chairman of the new performance review committee, a watchdog

body overseeing council functions. Mr Donald Gorrie, of the Alliance, said his group was still ready to outvote the Tories on some proposals with support of the Labour group. The Alliance and Conservatives disagree on savings to be made in public spending—an issue which propelled Lothian into a battle with central Government last year and again this year. Mr George Younger, Secretary of State for Scotland, has warned that he plans heavy cuts in the rate support grant to Lothian unless it reduces its spending, which is said to be 22.6 per cent or £66m above Scottish Office guidelines. Both Alliance and Conservative councillors hope that Mr Younger will be flexible following the change in Lothian administration, and signs of readiness to cut spending. The Alliance hopes the Secretary of State will not press for the maximum cuts to the £400m budget.

UK NEWS - PARLIAMENT and POLITICS

Walker defends UK stand on EEC farm price

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT
MR PETER WALKER, Minister of Agriculture, yesterday strongly defended Britain's position in the latest Common Market row over the Community's proposed increase in farm prices of 10.6 per cent.

Howell attacks Labour's policies for London Transport

BY IVOR OWEN
MR DAVID HOWELL, the Transport Secretary, launched another attack in the Commons yesterday on the Labour-controlled Greater London Council, which he said showed a lack of urgency in improving the efficiency of London Transport to reduce bus and tube fares.

Foot urges party to aid 'doves' in Cabinet

By Margaret van Hammen
LABOUR LEADERS yesterday threw their weight behind the Government's efforts to negotiate a Falklands settlement through the United Nations, calling on party members to support Francis Pym, Foreign Secretary, and Mr William Whitelaw, Home Secretary, in the inner Cabinet.

Worsening poverty trap low priority, Treasury says

BY ROBIN PAULEY
THE POVERTY TRAP is getting worse every year and there is no chance of an immediate improvement, the Treasury admitted last night. Peter Middleton, Treasury deputy secretary, told the Commons Treasury and Civil Service committee that the resources did not exist to eliminate the problem immediately, although he was optimistic that it could be tackled within a few years.

MP dies in safe Labour constituency

By Our Political Editor
A BY-ELECTION will be held in a traditionally safe Labour seat in central Scotland following the death yesterday of Mr James Dempsey, 65, member for Coatbridge and Airdrie.

Lloyd's amends immunity clause at Lords' request

BY JOHN MOORE, CITY CORRESPONDENT
A LORDS select committee has forced Lloyd's of London to amend a major clause in its insurance contract to improve the insurance market's self-regulation.

Chunnel 'a dead duck'

Kent MP tells House
FINANCIAL TIMES REPORTER
THE CHANNEL tunnel is a "dead duck", Mr Roy Moore (Con, Faversham) claimed in the Commons yesterday.

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Thatcher's power base steps up pressure on Falklands crisis

The right fights a sell-out

REPORTS from New York yesterday morning that a compromise solution to the Falklands crisis might be about to emerge from the UN resulted at Westminster in an immediate escalation of the undercover activity of the Conservative right.

Guardian of the PM's conscience

A small group of right wingers has even threatened to resign the party whip if the Government goes too far to accommodate the Argentines. Resignation is an almost unforgiving sin in a party which sets such store by loyalty as the Conservative Party.

Elinor Goodman on the domestic threat to diplomatic hopes

target right, from which Mrs Thatcher herself emerged. They share the Prime Minister's view of the economy but tend to take a more pragmatic line on international affairs.

Voice of the party in the country

Finally there is what might be called the "populist" right. These are the MPs whose names frequently appear on House of Commons motions like Mr Tony Marlow, Mr Nicholas Winterton, Mr Michael Brotherton and Mrs Jill Knight, and who can be relied upon to comment on practically any issue.

Argentina compared to a burglar

The common analogy used by MPs in the centre of the party as well as on the right, is with a burglar. "You wouldn't offer to let a burglar share your house after he had broken in," they say. In the same way Argentina should not be allowed to "get away with any spoils."

International Appointments

FINANCIAL CONTROL IN BANKING

Kuwait

A major bank is developing its financial control division. This has created three new appointments which give opportunities for demanding work at senior level in a long established and highly respected institution.

Candidates must have an internationally recognised accounting qualification and their first language should be Arabic or English. Experience of working in the Middle East will be an asset and university graduates will be preferred.

Details of the appointments are:

Senior Manager Accounting £35,000

The senior manager accounting will report to the assistant general manager finance and be responsible for the operation of the financial control division. Duties will include responsibility for the financial recording systems of head office divisions and branch operations and the development of computerised financial systems. The senior manager will also advise on the financial implications of the bank's strategic planning and investment policy.

Candidates for this position should be in the age range 35-40 with at least 5 years' experience in banking including a period at divisional management level. Evidence of successful management of multi national staff will be required. Appointment ref FT 202A.

Financial Accountant £28,000

The financial accountant will report to the senior manager accounting. Responsibilities will include departmental management, maintenance of financial records, production of annual accounts and liaison with auditors. A particular requirement will be working with the bank's data processing division on the financial accounting implications of new operating systems.

Candidates should be in the age range 30-35 with at least 3 years' experience in banking including a period as a supervisor. The position will involve staff selection and training. Appointment ref FT 212A.

Management Accountant £26,000

The management accountant will report to the senior manager accounting. Responsibilities will include controlling the management accounting department, the preparation of budgets and forecasts and the production of special reports. Other duties will be liaison with the financial accounts department and assisting the data processing division with the management accounting aspects of new operating systems.

Candidates for this position should be in the age range 30-35 with some supervisory experience. A period spent in banking or a similar service industry will be an asset. Appointment ref FT 222A.

Salaries are tax free at present, and benefits for each appointment make an attractive overall package as expected from a major institution. Applicants should send brief personal details and a career summary in confidence to D W E Apps quoting the appointment reference number on the envelope and letter at the address below.

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There will be an induction and handover period and this will involve travelling to other Far East locations, particularly Hong Kong.

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Strict confidentiality assured

INTERNATIONAL CONSORTIUM BANK

Is seeking an

ECONOMIST

for its PARIS economic and finance studies department

- Minimum 2/3 years experience in international economy analysis.
- Perfect command of English and very good knowledge of French requested.

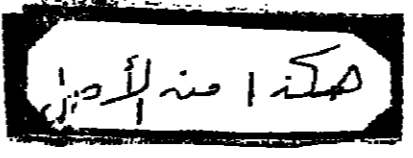
The candidate will be capable of working in a team with a small group.

Send handwritten letter + C.V. under ref. 8658 to:

P. LICHAU S.A., B.P. 220, 75043 PARIS CEDEX 02

who will forward.

د. ج. الفيلسوف



BBC 1
6.40-7.55 am Open University
7.55-11.30 For Schools, Colleges,
12.30 pm News After Noon...

TELEVISION
Chris Dunkley: Tonight's Choice
BBC Tracks Reports, the current affairs extravaganza from
BBC Manchester, which is to television rather less than what
the News of the World is to Fleet Street...

BUSINESS LAW

Perils of U.S. asbestos litigation

BY A. H. HERMANN, Legal Correspondent

ASBESTOS CLAIMS are the latest and fastest-moving product of the U.S. litigation industry. They run into tens of thousands, necessitate the appointment of additional judges to deal with them, and represent a potential threat to viability of manufacturing and insurance companies alike.

All IBA Regions as London except at the following times:
ANGLIA
1.20 pm Border News 2.00 Not for Women Only 3.45 Never the Twin...

BBC 2
6.40-7.55 am Open University.
11.00 Play School.
11.25 Snooker.
5.10 pm The Weissenhof Siedlung 1927.

RACING

ARDROSS proved just fast enough to peg back Gilt of Gold in Newmarket's Jockey Club Stakes last month and there is every reason to expect him to win more easily over the additional two furlongs of today's Yorkshire Cup.

RADIO

5.00 am As Radio 2 7.00 Mike Read
9.00 Simon Bates 11.30 Dave Lee Travis 2.00 pm Steve Wright 4.30 Peter Powell 7.00 Walters Weekly 8.00 David Jensen 10.00-12.00 John Peel (S).

RACING

Even if the early pace is slower than might be expected with stable-mates Little Wolf and Capstan in the field, Ardross's overall form is such that anything but another victory will come as a surprise.

BRANIFF MEANS BUSINESS!
If you're travelling on business, Braniff is going your way. To more of the places that you conduct important business in the Southwest U.S.A. and Mexico.

CONFERENCE CENTRE OF THE 80'S
Blackpool is now in the process of a multi million pound programme, which will make Blackpool probably the most versatile and comprehensive conference centre in the country.

BRANIFF IS GOING YOUR WAY.
For information or reservations call your travel agent or Braniff at 01-491-4631.

THE PEMBERKE
(Opening September 1982)
Blackpool's first new hotel in 40 years with 12,000 sq ft of excellent conference facilities...

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

ADVERTISING

'Censorship' resisted

ROGER UNDERHILL, director general of the Advertising Association, yesterday voiced the concern of many in the advertising industry when he hit out sharply at the "nanny-ing" pressures on the industry to cut back tobacco and alcohol advertising.

tobacco and alcohol advertising which is of most immediate concern to the association. Its report spells out some of the detailed steps taken over the past year to help combat these pressures.

In brief...

CAMPAGNS. Cola-Cola this week started its biggest ever advertising campaign in the UK with a renewed emphasis on the "real thing" approach which proved popular in the early 1970s. The new campaign is part of the fierce marketing war now going on between Coca-Cola—the clear market leader—and the challenge from its main rival, Pepsi-Cola.

leading to a new up-market approach. A new campaign for the DER television rental chain broke on television this week the first TV commercials for the company since 1977. The campaign is being handled by the Allen, Brady and Marsh agency which won the account earlier this year. DER plans to spend some £2m on advertising this year through ABM.

Table with 2 columns: TOP TEN UK AGENCY SPENDERS OVERSEAS 1981 and TOP TEN LARGEST AGENCIES WORLD-WIDE 1981. Lists agencies like Ted Bates, JWT, Young & Rubicam with their respective spending amounts.

How Teutonic trucks lifted off in the UK

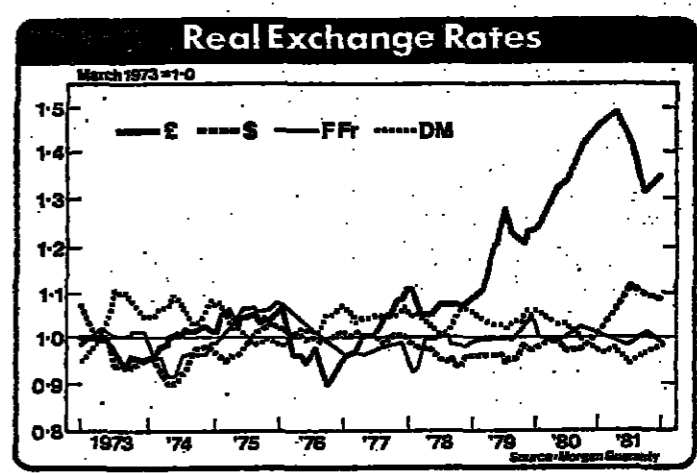
BY CHRISTIAN TYLER

WEST GERMAN brewers have been learning how to poke fun at themselves in order to promote their lager in Britain. Their television commercials took on a more serious tone as they sought to counter the charge that their products were not as healthy as those of their competitors.

Enthusiasm. "There is no great secret formula," says Bob Bischof, joint managing director of the British operation, who came over from Germany at the age of 26 when the company was launched: "We just put in a lot of hard work and enthusiasm."



To crack the British industrial truck market Jungheinrich's Bob Bischof has played down the company's German nationality; the company has also been able to capitalise on the very favourable swing in exchange rates in recent years.



Note: Real exchange rate = effective exchange rate adjusted for differential rate of inflation domestic inflation / trade weighted overseas inflation industrial/manufacturing prices.

turns out the bulk of the hand-operated pallet trucks that are one of the company's biggest sellers. Meanwhile, Lansing Bagnall has problems, measurable by the fact that its electric truck division at Basingstoke, Hampshire, is working at only 40 per cent of capacity. Lansing agrees with Bischof that there is no secret to the importers' success: the answer lies in the exchange rate.

market share across the Channel. At home a fierce cost-cutting campaign has been mounted in the past two years, and a third of the 6,000 UK employees have lost their jobs.

Eroded

One of the big worries for Lansing—and for many other major British engineering companies without Government contracts to support them—is that capacity is being eroded during the recession that recovery, when it comes, will leave them even more vulnerable to the competition.

With their ability to carry stock and pour in machines whatever the state of the market, the Japanese may now have about 20 per cent of the UK business, perhaps more in some lines of engine-powered trucks.

That does not mean Jungheinrich (G.B.) plans to ease up. Apart from anything else, there are all those importers breathing down its neck...

BANQUE INTERNATIONALE A LUXEMBOURG A LUXEMBOURG

BIL achieves good results in 1981

Banque Internationale à Luxembourg, Luxembourg's oldest and largest private commercial bank, recorded good results in 1981, the Bank's 125th year of activity. Total assets rose by 33.1% to Lfrs. 176 billion.

Financial Highlights 1979 1980 1981. Table showing metrics like NET PROFIT, Distributed profit, CASH FLOW, TOTAL ASSETS, Loans and advances, Due from banks, Due to banks, Customers' deposits, and Own resources incl. borrowed capital.

In 1981, BIL again strengthened its international business. The representative offices in New York and Singapore continued to expand their activities. In September, a representative office was opened in London concentrating on the Eurobond market. BIL (Asia) Ltd., a new merchant bank in Singapore, will soon be operating.

BIL logo and contact information: BANQUE INTERNATIONALE A LUXEMBOURG, société anonyme founded 1856 Luxembourg, boulevard Royal 2 Telephone: 4791-1 Telex: 3626 bil lu

CROSS writing instruments advertisement. Features an image of a fountain pen and text: 'Cross means business. Your business friends will use and treasure your gift of Cross fine writing instruments with your corporate emblem. Perfect for stimulating sales and recognising achievement. Every Cross writing instrument is mechanically guaranteed for life. Send your corporate logo and Cross will send you a complimentary example of a similar clip emblem.'

'We want to work for you and for us' advertisement. Includes an image of a factory and text: 'We are from South Wales from the valleys of the river Taff and the river Ely. We are used to working and we want to work. Our Borough, the Borough of Taff-Ely, has given us the opportunity to work by building fine new industrial estates near Pontypridd just North of Cardiff.'

Advertisement for property or services: 'FROM ONLY £1 per sq. ft.' Includes text: 'For more information and a fact pack, please contact: C.G. Prentice, Development Officer, County Buildings, Pontypridd CF37 2TU. Telephone: Pontypridd 406441. Full Government Development Area Grants available.'

OVERWORLD advertisement: 'invites you to see their announcement on PAGE 6'

Royal Gala advertisement: 'in the presence of Her Royal Highness The Princess Margaret Countess of Snowdon. An Evening of Ballet with International Guest Artists, Sadler's Wells Royal Ballet including including Askton's Ballet 'Pas de legumes' in aid of Sadler's Wells Theatre Appeal Fund. Sadler's Wells Theatre Thursday 20 May 7.30'

Handwritten signature or initials: 'Josephine 1.50'

THE ARTS

Strand

The Understanding

by MICHAEL COVENEY

The death of a friend. A large semi-circular room in a London house...

In 1937 is on the brink of platonic resolution. The evening may be a bore and a half...

Ah, but spring, or youth, or something approximate to both, is in the air.

intones Richardson, with a sly and sinister infection. Kate, you see, has golden pigtails that remind him of Acton...

True, he looks incomparably spruce in his small check suit, red cardigan and yellow tie...



Tim Curry as The Pirate King and Pamela Stephenson as Mabel in the first photo call for 'The Pirates of Penzance'...

Sadler's Wells

Twilight by CLEMENT CRISP

The Sadler's Wells section of the Royal Ballet opened a season in Rosebery Avenue on Tuesday with a light-weight, attractive programme...

They expose its wary elegance with wonderful alacrity—the danced challenges and ripostes...

Night for prepared piano (given a brilliantly idiomatic reading by Hilary Bell). How very different the preceding *Vivandière* sextet...

looked at their best in David Bintley's *Meadow of Proverbs*, an assemblage of black jokes, irony and sentiment...

The closing *Facade* had some over-boisterous moments—I do not think that the Fox Trot needs to be saved...

Festival Hall

Black Pentecost

by DAVID MURRAY

On Tuesday Simon Rattle and the Philharmonia gave the belated first performance of Peter Maxwell Davies' *Black Pentecost*...

prescribes—except at the start of the fourth movement, a syncopated twittering for which the printed tempo seems risky...

I should guess that this first audience found *Black Pentecost* too protracted to make a decisive effect.

Record Review

Music of the twentieth century

by ANDREW CLEMENTS

Berg: Lulu Suite, Altenberg Lieder, Three Pieces for Orchestra...

The neglect is made all the more obvious at a time when most of his sessions in the studio seem to be given over to re-recording...

The hope is enhanced by the present issue, for it rapidly supersedes all other versions of Nielsen's fourth symphony...

with the 50-year-old Manzoni is slightly odd. Sinigaglia's account of the Chamber Symphony has considerable dynamism...

It could be argued that the tradition of performing Walton's early music in a macho, frenetic way stems directly from the composer's own performances...

Walton conducts Walton: Philharmonia/Philips. Walton, EMI SLS 5246 (three records). Most series of reissues announced by the record companies seem to be devices to recycle second-rate or aged performances...

The sniveling objectivity of Honegger's symphonies have acquired a significant following largely because of the missionary effectiveness of Karajan's recording in its first incarnation.

Shostakovich's Tenth is the latest of Karajan's duplications, bringing the benefits of digital recording to what was already a distinguished interpretation.

Bernard Haitink's Walton recording followed on a Festival Hall performance of the symphony which I reviewed here. The basic elements of his approach, imperfectly achieved but effective, are to be found in the carefully graded contours of the first movement.

The three-record set, in brightly refurbished sound, comes with a detailed and informed booklet of notes by Gillian Widdicombe and others. Walton's conducting of the occasional pieces, the marches and overtures, is paradoxically more valuable than his accounts of the substantial repertoire.

£50,000 grant for cathedral music

The trustees of the Triangle Trust (1949) Fund and the Jephcott Charitable Trust have made a total grant of £50,000 to the Friends of Cathedral Music as an endowment fund...

makes grants to Anglican and Catholic cathedrals to help their commitment to a unique British tradition, and to try to secure that tradition for future generations.

King's Head

And Miss Reardon drinks a little

by ROSALIND CARNE

The best comic characters often threaten to walk off the stage and into your life. At least three of Paul Zindel's creations are old acquaintances, despite their U.S. origins.

rewarded, largely because of the savage pay replete. Cell Adams is married and successful, with a good job in child guidance...

Saleroom

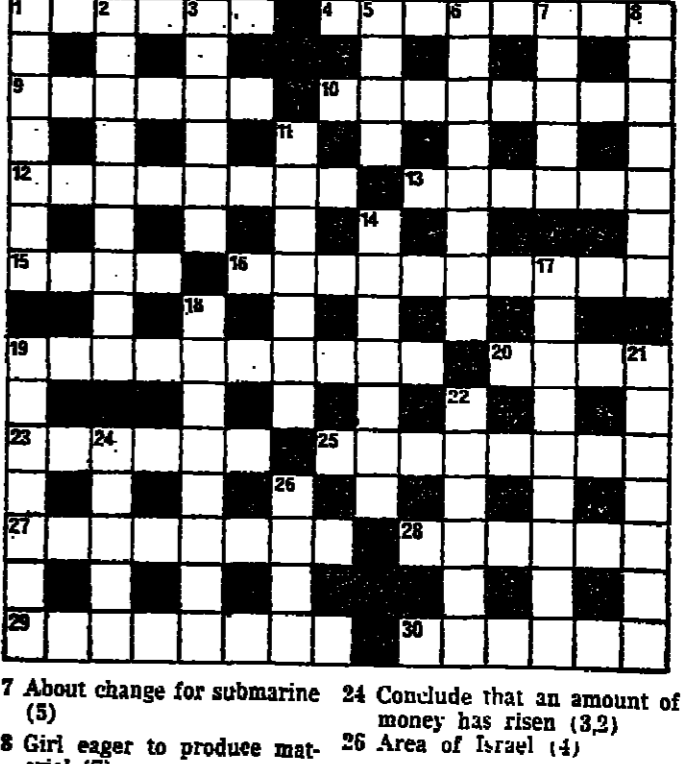
Record for snuff box

A gold snuff box inlaid with mother of pearl, once in the collection of Frederick the Great of Prussia, sold for SwFr 1,540,000 (£435,028) at Christies in Geneva on Tuesday night.

ample sold was made in Berlin around 1760. Another box from his collection, carved with scenes from the Seven Years War, made £82,148 and a Louis XVI box with Chinese scenes fetched the same sum.

F.T. CROSSWORD PUZZLE No. 4870

- ACROSS
1 Apt description of spinning meteor (6)
4 Split the open vessel (8)
9 Result of father's attempt at baking? (6)
10 and 12 What to do if there is no market upstream—betray (4,4,3,5)
13 Come down on a seat (6)
15 Reversible act (4)
16 Boatswain, or what he will be after slimming (10)
19 Sixty, but most of the batsmen get a duck (10)
20 Stop the flow along the main axis (4)
21 Last 1d rewritten in order to purify (8)
22 Connected with being very fond of (8)
27 Ineffectual handicapped bird (4,4)
28 Turns eight on board (6)
29 Left late (8)
30 Stylist division by end of day (6)
11 Cast a spell over second-class sorcerer's say (7)
14 Careful not it having begun at home (7)
17 Incomparable without a game (9)
18 Puzzle: to be more outrageous (8)
19 Took the first steps (7)
21 Ways to try heartlessly with humility (7)
22 Portion of land might be wrapped up (6)



Solution to Puzzle No. 4,869

DEAD MEN RISE
HAWAII
NEIGHBOUR
MINORSHIP
RADIO
CLAMP
LUMBERING
GEBEL
STEVENSON
TACIT
MUNA
SUGARBEET
FEDUC
SUGARBEET
TESTIFIER
NASAL
DUNCAN
ELEMENT
EXPOSER

THEATRES

ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape...

ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape...

ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape...

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ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape. ALHAMBRA: The Great Escape...

ECONOMIC VIEWPOINT

Disinflation: the real victims

By Anthony Harris.

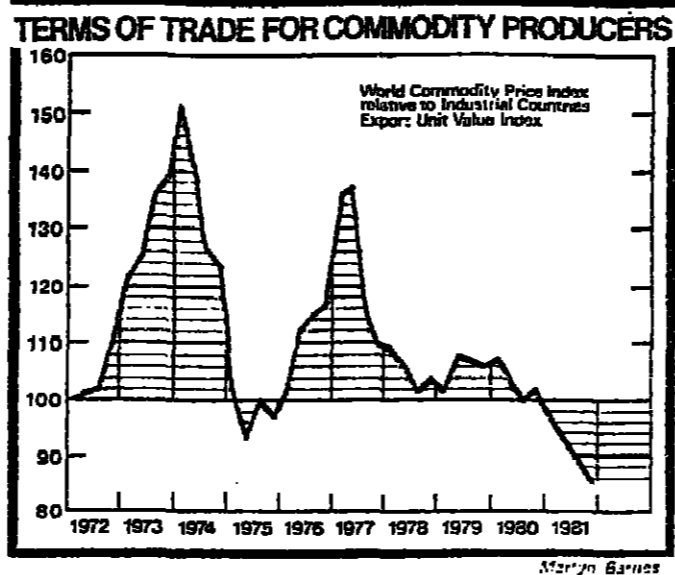
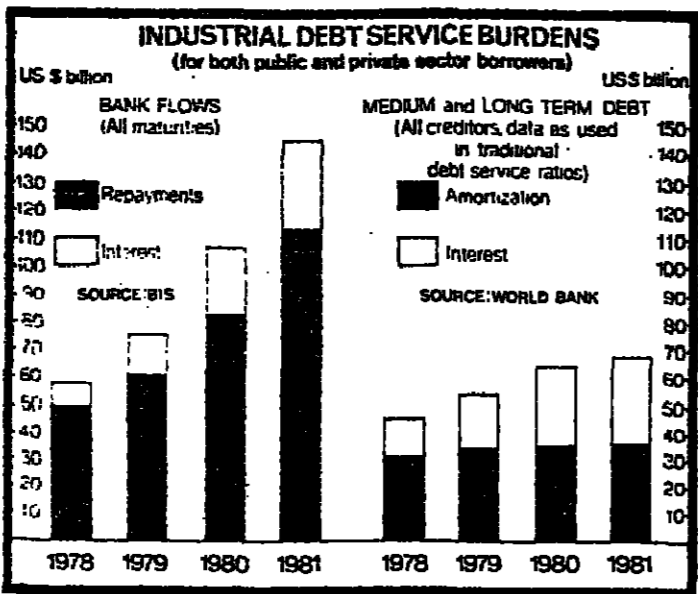
THERE IS a familiar pattern in bankruptcies. First a borrower gets into cash flow problems...

This is a familiar history in corporate affairs, from Rolls-Royce to Stone-Plant...

These arguments never seem to stand up to a cool examination of the fundamentals...

In other words, it would be relatively easy to forecast financial disasters if you could examine the actions of the lenders...

Sovereign lending to countries is usually thought to be something quite different. National defaults have been virtually unknown for the last 50 years...



and a resumption of normal trading, everything will come out right.

The early signs of the ensuing crisis are visible, but they do not look particularly worrying.

However, this appearance of normality may be very deceptive — not so much in the case of Hungary or Brazil...

It is the commodity producers, represented in the run-up to Helsinki by the Group of 24...

Now, however, their situation has reversed savagely. Their terms of trade have deteriorated very sharply...

of borrowing to cover the collapse in their earnings has remained at the same high nominal rate of about 15 per cent.

Unless the underlying situation is quite quickly reversed, with a substantial fall in interest rates and a rise in market demand...

Even if the developed countries were listening attentively, which they are not, it is hard to see how such an outcome could be contrived.

The developed countries, in short, are preoccupied with their own policy dilemmas...

The recent OECD discussions have shown, in one respect, the choices may now be becoming less baffling.

It is possible, but far from certain, that the sudden disappearance of the Opec surplus — the same event which is leading to a contraction of international bank credit...

Lombard

A naval war in ancient Greece

By Reginald Dale

THE MASSIVE modern fleet was in a high state of efficiency and had cost the state a great deal of money.

When it left port, a vast crowd assembled to see off their friends, relatives and sons.

Portsmouth, 1982? No Piræus, 415 BC, in the words of Thucydides...

It gathered at the staging point of Corcyra (read Ascension Island) and thought it could rely on the support of numerous allies of similar culture and background...

believed that Athens did not "mean business."

The Athenians had some initial naval successes, while the Syracusans rallied the support of their Sicilian and Italian allies in the region (read Organisation of American States).

Nicias, the reluctant commander of the task force, had warned against the expedition on the grounds that closer to home there were already rebels in Chalcidice (Northern Ireland) and powerful Peloponnesian enemies led by Sparta (Moscow and the Warsaw Pact)...

Letters to the Editor

The Falklands: future support for the islanders

From Mr J. Dodwell. Sir.—David Marsh's Lombard column (May 7) suggests he is relying on the Argentine...

Stanley where ordinary operations are carried out. Only the most complex of operations are carried out in Argentina...

restored and a link developed with Chile or Uruguay. The islanders are not dependent on Argentina for transport.

Direct labour in the health service

From the Managing Director Crothall Health Care Services. Sir.—Keith Jerrome's letter (May 6) on the use of contractors within the national health service...

The question of Argentina's nuclear capability

From Mr D. Taylor. Sir.—Your Science Editor (May 4) contends that the claims made in the BBC TV Newsnight film "Germany and the Argentine bomb" are unsubstantiated and easily dismissed in knowledgeable circles in Britain...

a nuclear bomb within two years. Contrary to your report, we did not suggest that Argentina had kept secret her intention to reprocess spent nuclear fuel.

including the new reprocessing plant at Ezeiza. Admiral Castro Madero declared to us in his interview for the programme: "They (the Canadians) asked for more warranties, more safeguards; this opposed the philosophy of Argentina..."

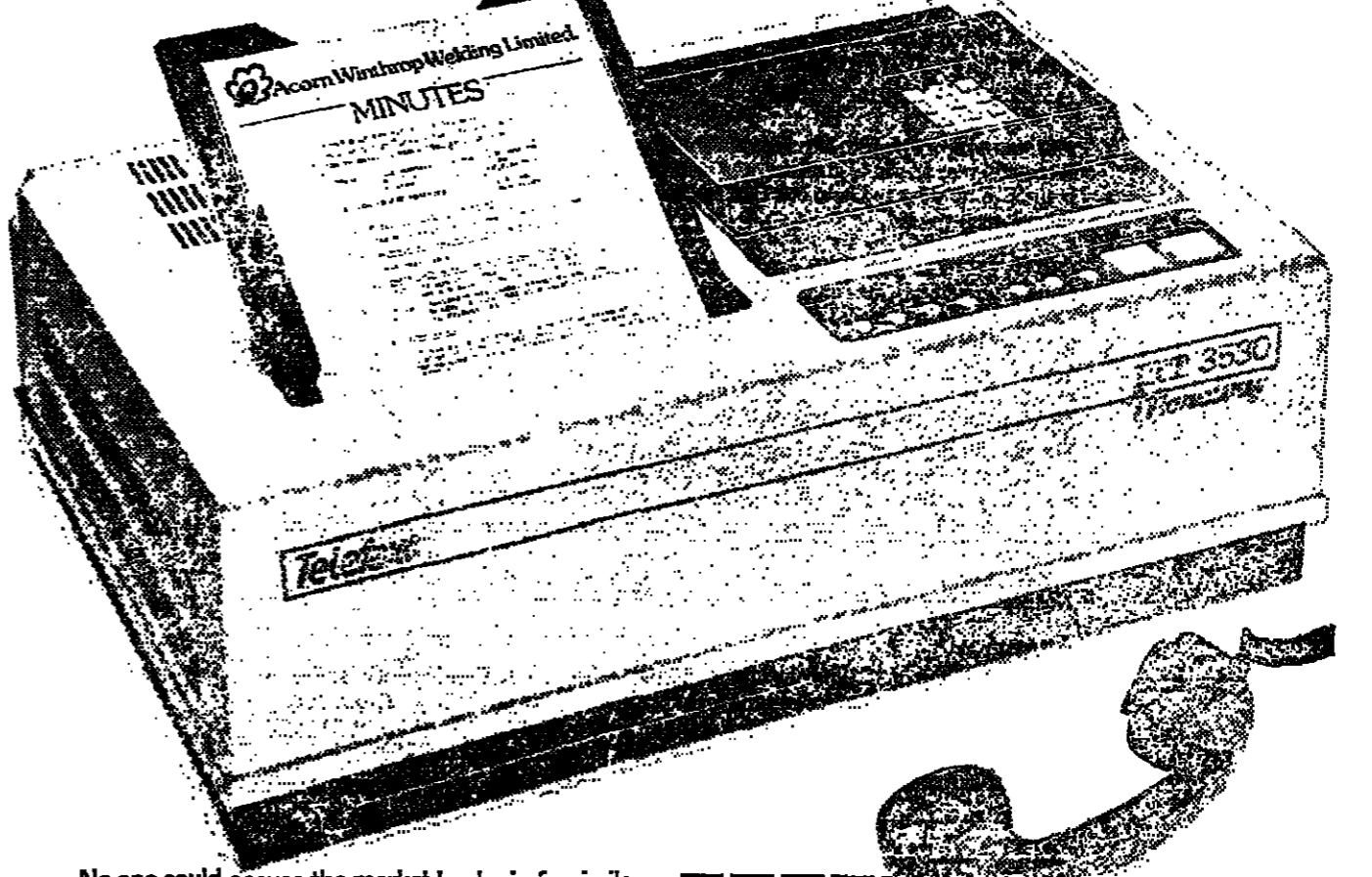
A choice of notepaper

From Ann Lander. Sir.—My first reaction to the "Thatcher letter" (page 1, May 10) was to treat it with the contempt it deserved...

The question of safeguards is a vital but complex issue. We have talked to board members of the IAEA and present or recently retired inspectors who suggest that many of the IAEA safeguards are simply inadequate...

I agree with Mr Jerrome that, when we are considering the care of the sick decisions should not be made on the basis of political stance or rhetoric but rather on actual facts based on realistic study of comparative costs.

We'll get the London minutes to Munich in under a minute.



No one could accuse the market leader in facsimile machines of not being up to the minute. Just take a look at our 3530 Mercury system.

Form with fields for Name, Title, Company, Address, Telephone, and a section for sending to Dick Glazebrook at ITC Business Systems.

UK COMPANY NEWS

Stronger dollar helps Coats Patons

THE HARDENING of the U.S. dollar was reflected in improved profits for textile manufacturer Coats Patons...

HIGHLIGHTS

Having briefly commented on the latest Government borrowing figures, Lex moves on to look at the major corporate news of the day.

European Ferries falls £8.6m to £21.8m

A SETBACK of £8.6m to £21.8m in pre-tax profits was shown by European Ferries for 1981.

Weather escalates Royal's underwriting bill to £64m

THE exceptionally severe winter weather in the UK and U.S. sent underwriting losses of Royal Insurance in the first quarter soaring from £15.3m to £64.1m.

cent, but much of this rise was due to exceptional factors. Premium growth in the U.S. is generally in line with the 11 per cent target.

Saatchi & Saatchi in £24.7m cash call

BY CARLA RAPOPORT

Saatchi and Saatchi, Britain's largest advertising agency, is turning to shareholders to help fund its purchase of Compton Communications.

ing of new shares to raise the money, rather than a rights issue. The Stock Exchange, however, limits placements to 3m and this was not considered an adequate sum.

The Saatchi directors and the management of Compton stated yesterday that in the longer term, it will be possible to improve Compton's margins.

price a yield of around 3 per cent, which might go up as all these new shares flood into the market.

Improvement to £356,000 at Fundinvest

Pre-tax revenue of Fundinvest for the six months to March 31 1982 advanced from £330,436 to £356,579.

External Inv. at £989,000

Pre-tax revenue of External Investment Trust improved from £844,000 to £989,000 for the year ended March 31 1982.

Nth. Atlantic ahead but interim cut

After tax revenue of North Atlantic Securities Corporation improved from £294,982 to £342,801 for the six months to March 31 1982.

Trafalgar House higher midway

AN EXCELLENT performance from each of its operating divisions enabled Trafalgar House to increase pre-tax profits to £27.72m in the first quarter to March 31 1982.

raises considerable administrative and commercial pressures. There were again no ship sales in the first half period.

Good Relations

Results for the first four months of 1982 at Good Relations Group entirely justify the confidence and the expectations expressed at the time of the company's flotation last December.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, etc. Includes Baggeridge Brick, Bellway, Bulmer and Lamb, etc.

Laughton edges ahead to £1.2m

A SLIGHT rise in pre-tax profits from £1.13m to £1.21m has been shown by Laughton and Sons for 1981.

Net revenue rises at Young Companies Inv.

Net attributable revenue of the Young Companies Investment Trust rose from £397,330 to £419,774 in the year to March 31 1982.

WOOLWORTH Interim Report Three months ended 30 April, 1982. Includes financial summary and key performance indicators.

Jefferson Smurfit Group. Earnings per share up 38%. Medium-term outlook positive despite recession. Preliminary Profit Statement for year ended 31st January 1982. Includes detailed financial data and company information.

THE FRING HALL USM INDEX 123.1 (+0.2). Close of business 12/5/82. BASE DATE 10/11/80 100. Tel: 01-438 1981. LADBROKE INDEX Close 587-592 (+6)

Handwritten note: 12/15

UK COMPANY NEWS

Woolworth tumbles to £2.4m loss

A DOWNTURN of £439m has resulted in F. W. Woolworth... The pre-tax figure was after depreciation up from £11m in 1981 to £13.8m...

unit was 0.4p (0.35p profit). The directors say B and Q Group achieved a profit before tax of £567,000 after interest charged on its borrowings from external and group sources.

Bulmer and Lumb falls to £0.57m

WORSTED SPINNER Bulmer and Lumb (Holdings) reports taxable profits down from £776,447 to £371,325 in the year to March 30 1982...

Nurdin & Peacock over £10m: pays 2.7p total

SHARPLY HIGHER profits were returned by Nurdin and Peacock for 1981, the pre-tax figure emerging at a record £10.09m, compared with £5.65m for the previous 53 weeks.

Lee Cooper expands by £3m

A RISE of £2.54m to £9.09m in pre-tax profits has been shown by Lee Cooper Group for 1981 despite what the directors describe as a very difficult year.

Yearlings total £20m

Yearling bonds totalling £20m at 13 1/2 per cent redeemable on May 18, 1983, have been issued this week by the following local authorities.

ICI conversion

ICI conversion Holders of a further 50 Imperial Chemical Industries £1,000 5% per cent convertible guaranteed bonds due in 1997, have exercised their right of conversion into ordinary stock.

Expanding despite recession.

Advertisement for United Newspapers plc featuring a collage of newspaper mastheads and a summary of results table.

A Summary of the Statement by the Chairman, David Stevens.

Although there was no improvement in trading conditions in 1981, the performance of United Newspapers compares favourably with others in the printing industry.

The recession served to emphasise the strengths and weaknesses of each of our profit centres. Our magazines and most of our weekly newspapers performed well.

The Directors have recommended an unchanged Final Dividend of 7.5p on the Ordinary Shares. An Interim Dividend of 4.5p has already been paid, making a total of 12p for the year, the same as for 1980.

The major investment during the year was in the new television contracting companies. We have sold the majority of the investment portfolio of our recent acquisition, The Colonial Securities Trust Company Limited.

As for the future, it is by tackling costs at each level, by rationalisation such as our centralised printing project at Wigan, and by energetically exploiting the opportunities available to us through advanced technology in newspaper production that we can maintain our profitability and, indeed, expand.

In the face of increasing competition from the electronic media revolution, newspaper companies must be able to make maximum use of the new methods of inputting and retrieval of information for both their printed newspapers and for their participation in other outlets. We plan to make progress in this area in the course of the year.

Summary of Results table with columns for Year ended 31st December, 1981, and 1980, and rows for Profit before exceptional item, Profit before taxation, Profit after taxation, etc.

Reliant confident of breaking even as losses erode

After reporting a substantial reduction from £507,000 to £84,000 in pre-tax losses for the half-year to March 31, 1982, Mr J. F. Nash, chairman of Reliant Motor says he is confident that a break-even position will be achieved for the current financial year.

relatively small during this financial year, will increase in significance in future years. The company's plastics subsidiary, Reliant Industrial Mouldings, is growing slowly and continues to be a sensible diversification, he says.

Drayton Japan

Following the annual meeting held on March 26 at which members of Drayton Commercial Investment Company approved the change of investment policy of the company to concentrate on investment in Japan, approval has now been received from the Registrar of Companies for the change of name to Drayton Japan Trust, which will take immediate effect.

Advertisement for Harrap's Business Dictionary, featuring an image of the dictionary and an order form.

HARRAP'S BUSINESS DICTIONARY

- Marché des matières premières? ● Retenue à la source? ● Compte client? ● Bloc monétaire? ● Relance économique? ● Police d'assurance (sur la) vie? ● Prix chocs? ● Compte de pertes et profits? ● État financier?

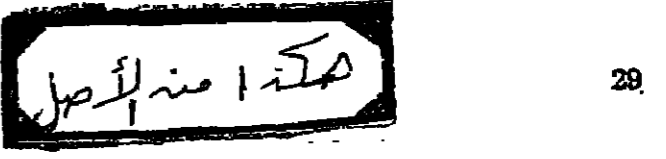
COMPRENEZ-VOUS? Interested? Then read on...

business-school student, to mention but a few. This special edition of Harrap's Business Dictionary has been produced in conjunction with the FINANCIAL TIMES; it incorporates a 16 page Guide to the Financial Times Statistics.

So why not go ahead and... TESTEZ VOTRE FRANÇAIS DES AFFAIRES!

Order Form with fields for Name, Job Title, Address, Nature of Business, Signature, Date, and Card number.

Registered address: Station House, Cannon Street, London, EC4A 4BY. Registered number: 260280. Bank Account: Midland Bank, 5 Throgmorton Avenue, London EC2A 3DF. Account number: 50957615.



Companies and Markets

COMMODITIES AND AGRICULTURE

Stagnant grain prices forecast

WORLD GRAIN prices are unlikely to rise significantly in the coming year, according to a U.S. Department of Agriculture report. The forecast was "highly tentative" it said and could be affected by U.S. and global harvest developments and economic conditions in the months ahead.

Sugar decline accelerates

WORLD raw sugar prices resumed their move downwards yesterday with the London daily price (LDP) set at £113 per tonne, its lowest level since September 1979. This was £5 down on the previous day's level.

Bleak prospects for copper

PARIS — Prospects for the copper market this year are bleak and prices are likely to remain depressed due to the continuing economic recession, Umarjadi Njotojono, secretary-general of the International Council of Copper Exporting Countries (Cipec), said, reports Reuters.

Malaysia Bugs and barn owls — palm oil's new workers

A TINY weevil, introduced from West Africa a year ago, is causing a sensation on Malaysia's oil palm estates. It is saving tens of millions of dollars, while helping oil palm growers to alleviate their most serious problems—labour shortage.

U.S. vote on futures agency

A BILL to extend the life of the Commodity Futures Trading Commission (CFTC) for two more years is scheduled to come to a vote before the full U.S. senate on Thursday.

Milk output price rise warning

THE MILK Marketing Board has told UK milk producers that output prices are likely to rise about 10.2 per cent for the 1982-1983 season.

Tin producers pact discussed

KUALA LUMPUR — Senior officials of the world's three leading tin producers, Malaysia, Thailand and Indonesia—began today's talks yesterday to consider a Malaysian proposal for the setting up of a producers' pact.

Hopes of glasshouse peace

THE EEC row over subsidised glass prices for horticultural producers seems likely to end as soon as the Council of Agricultural Ministers can find time to discuss a compromise plan agreed between the Dutch government and the EEC Commission.

BRITISH COMMODITY MARKETS

Table with multiple columns listing prices for BASE-METALS, COPPER, LEAD, and ALUMINIUM. Includes sub-sections for BASE-METALS PRICES and various metal grades.

WHEAT

Table listing prices for WHEAT, SOYABEAN MEAL, and RUBBER. Includes columns for contract types and prices.

PRICE CHANGES

Table showing price changes for various commodities including Metals, Oil, and other goods. Columns include item name, price, and change.

GOLD MARKETS

Table showing gold market prices and futures. Includes columns for Gold Bullion, Gold Futures, and other gold-related items.

Table showing various indices including FINANCIAL TIMES, MOODY'S, and DOW JONES. Columns include index name and values.

Table showing COCOA and SUGAR prices. Columns include item name and price.

Table showing MEAT/VEGETABLES prices. Columns include item name and price.

Table showing AMERICAN MARKETS prices. Columns include item name and price.

CLASSIFIED ADVERTISEMENT RATES. Table with columns for Ad Type, Per Line, and Single Column. Includes rates for Commercial and Industrial Property, Residential Property, etc.

Table showing COFFEE prices. Columns include item name and price.

Table showing POTATOES prices. Columns include item name and price.

Table showing EUROPEAN MARKETS prices. Columns include item name and price.

Futures trading: the indispensable aid. Advertisement for CCST dealers, highlighting the new augmented Market Report with more pages, more data, more prices, and more analysis.

Table showing GAS OIL FUTURES prices. Columns include item name and price.

Table showing WOOL FUTURES prices. Columns include item name and price.

Table showing TUESDAY'S closing prices. Columns include item name and price.

Table showing GRAINS prices. Columns include item name and price.

Table showing NEW ZEALAND CROSSLAND prices. Columns include item name and price.

Table showing CHICAGO prices. Columns include item name and price.

Companies and Markets INTL. COMPANIES & FINANCE

AEG seeks injection of fresh equity

BY KEVIN DONE IN FRANKFURT

AEG-TELEFUNKEN, the financially-stricken West German electrical and electronics group...

Its 24-member banking consortium is to meet on June 14 to consider further short-term measures...

Herr Heinz Durr, AEG chief executive, made it clear yesterday, however, that the group's longer term future could only be ensured...

The concern's existence is still being endangered by the mounting losses that are being run up by its consumer electronics divisions...

Consumer goods account for around one-third of AEG's DM 15.4bn turnover...

around one-third of AEG's DM 15.4bn turnover, but they will contribute the lion's share of the group's losses this year.

Herr Durr said that the capital goods divisions—including Olympia, the office information equipment manufacturer...

The chief question mark continues to hang over AEG's Telefunken subsidiary...

Telefunken suffered a disastrous year on its foreign operations in Brazil, Mexico, Spain and Italy...

"There is no way we can survive in brown goods in the medium-term with our volumes

of production," said Herr Durr. Its television plant at Celle operated at only 77 per cent of its 800,000 capacity last year.

In white goods—washing machines, dish-washers, cookers and refrigerators—AEG is more confident of re-

turning a profit through restructuring measures involving further reductions in the workforce and the closure of some plants.

The group, which is the market leader in household appliances in West Germany, is also investing around DM 110m this year, however, in two new plants

in Nuremberg and Mainz. AEG's total capital investment this year is expected to rise to around DM 570m—DM 510m in West Germany—from DM 518m last year.

The AEG workforce worldwide has again declined dramatically as restructuring measures took a further toll...

In the first quarter of 1982 AEG increased turnover worldwide by 4 per cent with a 10 per cent rise in foreign sales...

AEG is still confident of reaching agreement with United Technologies of the U.S. for the manufacture of semiconductor. UTC is expected to take a substantial stake in AEG's semi-conductor division.

But financing problems have arisen in the group's planned joint venture production of electric motors with Bauknecht.

Estel Hoesch returns to profit

BY JAMES BUCHAN IN DORTMUND

ESTEL HOESCH WERKE, the West German arm of the German-Dutch steel venture, Estel, should return to profits this year.

Herr Hero Brahm, a board member of the Dortmund concern which is negotiating the buy-out of the Estel venture with its Dutch partner, Hoogovens...

Estel last year lost Fl 69.8m (\$274.3m) last year, against Fl 14.8bn in 1980. The international sales of Fl 14.3bn against Fl 14.8bn in 1980.

The transnational venture has lost a total Fl 2.3bn in the seven years since the beginning of the steel crisis and has seen its capital base shrink from Fl 3.5bn to Fl 1.4bn.

Hoogovens said the Dortmund operation made a profit of DM 20m (\$8.7m) in the first quarter of this year.

This result contrasts sharply with the 1981 results of Estel itself, which has owned Estel since 1972, and Hoesch Werke since 1973.

Estel last year lost Fl 69.8m (\$274.3m) last year, against Fl 14.8bn in 1980. The international sales of Fl 14.3bn against Fl 14.8bn in 1980.

The Hoesch holding company recorded a loss of DM 456.8m for 1981. This necessitated a writedown in its Estel shareholding from DM 1.1bn to DM 626m.

Herr Brahm ascribed Estel's 1981 result to the continuing structural crisis in the steel industry and sharply increased costs, which caused a Fl 770m loss in steel operations...

Apportioning the Estel losses remains the sticking point in negotiations with Hoogovens, as Dr Detlev Rohwedder, chief executive of Hoesch, made clear.

He conceded the Dutch claim that the bulk of the losses were attributable to Estel Hoesch Werke, but insisted that these should be divided equally according to their equal shareholdings.

"You cannot work together equitably for 10 years, and then dig up reasons to charge the other for the losses," he said. Hoesch is now negotiating

with Krupp Stahl to merge some of all of their steel operations into a purely German steel giant, Ruhrstahl.

Dr Rohwedder said that these talks could go on quite independently, but it is clear that Hoesch wants to settle the Estel business as soon as possible.

A second difficulty with Hoogovens concerns the division of Estel's production quota under the European Community's crisis scheme, which is due to expire at the end of June.

Under the Estel arrangement, Hoesch was involved in finishing Dutch-produced steel and must remain a quota to take to Ruhrstahl, which will have a theoretical capacity of 11m tonnes.

Although German producers have, on occasion, complained bitterly that the quota system has penalised their more modern plants, the industry generally is now in favour of an extension of the crisis regime for a further 18 months.

Helaba sees 1982 recovery

By Stewart Fleming in Frankfurt

EXTRA COSTS of financing fixed interest securities with expensive short-term funds in mid-year, but interest earnings and overall 1981 profits of Hessische Landesbank-Girozentrale (Helaba), West Germany's tenth largest commercial bank.

But falling interest rates since September have brought a marked improvement in profitability and operating earnings doubled in the first quarter of the current year.

Dr Heinz Sippel, chairman of the managing board, says that the bank will earn an operating profit in 1982—exclusive from its own trading in securities, gold and foreign exchange—of over DM 100m (\$44m), compared with DM 40m in 1981.

Assets of the bank last year increased to DM 59bn from DM 54.4bn. But lending growth, particularly in long-term lending in which the publicly-owned Landesbanks are traditionally strong, was weak.

Interest earnings fell to DM 180m from DM 241m in 1981. Operating earnings were down from DM 101m to DM 40m, while after-tax earnings declined from DM 65m to DM 45m.

An improving trend in operating earnings is now expected and Dr Sippel suggests that the bank can again begin to consider paying a dividend. There has been no dividend since the mid-1970s when the bank required an injection of around DM 2bn in public funds to offset losses.

Harvester pulls out of Enasa engines deal

BY ROBERT GRAHAM, IN MADRID

INTERNATIONAL HARVESTER, the troubled U.S. farm equipment and motor group, has abandoned all plans of direct involvement in Spain's state-owned truck producer, Enasa.

The two companies are working on ways to undo the July 1980 agreement whereby Harvester agreed to take part in a \$200m engine plant and assume eventual control of Enasa.

This is the second time in two years that efforts to secure the future of a Spanish automotive company through integration with a multinational partner have collapsed.

The previous plan, involving the state-controlled car producer, Seat, and Italy's Fiat, was abandoned through a combination of international recession and the cash-flow problems of the prospective multinational partner.

In January Harvester informed the state holding company, INI, that it would be unable to fulfill the 1980 agreement. Since then there have been various efforts to salvage the deal.

Mr McCordell was the main proponent on the Harvester side of Enasa tie-up.

The 1980 deal followed a search by INI for a partner that included sounding with a number of the international groups including Nissan. The basis of the deal was that INI sell Harvester 35 per cent of Enasa with a view to eventual control.

INI agreed to cover all losses for three years and in return Harvester pledged to provide truck technology, assume management control and invest—on a 65/35 basis—in a new engine plant. Total investment by INI and Harvester was expected to be around \$400m.

For Harvester this had the advantage of offering quick construction of a new engine plant to cope with an expected shortfall in its existing capacity.

In addition, Enasa, the leading medium and heavy truck producer in Spain, provided access to the projected Spanish market and to the EEC when Spain joined.

Mr Levy was formerly in charge of establishing the Ford plant at Valencia. Then in December Harvester revealed that it was freezing the engine plant project.

And in January, after a visit by Mr McCordell to Madrid, it became clear that the agreement could only survive in reduced form.

Now with the exit last week of Mr McCordell, the agreement has been abandoned and ways are being sought to have an agreed "divorce" without resort to legal action by INI.

This is likely to take the form of Harvester opening an account in INI's favour to the tune of Pta 1bn (\$10m) to cover royalty payments by Enasa.

Enasa is now expected to adopt a different approach to finding an international partner. Instead of seeking one group to collaborate with or assume control of Enasa, INI will try and establish a series of product agreements. This means that INI will continue to hold control of the Enasa equity but will enter into deals on specific elements of Enasa's production.

for by permanent employment and security services and a small sport and leisure division. Enasa is confident that this is the correct strategy, especially as the failure of the Harvester deal permits the continued incorporation of its all important military vehicle production.

This was scheduled to be hived off to the Spanish Defence Ministry but is now acquiring growing importance within Enasa.

Enasa makes military trucks of varying sizes plus a four-wheel drive amphibious armoured personnel carrier. Apart from Spanish military orders, considerable hope is being placed on sales to the Middle East and Latin America.

Enasa already has two contracts worth \$440m with Egypt to supply 7,500 trucks and 500 buses. Last week it was announced that discussions were at an advanced stage for a further 5,000 trucks and 1,500 amphibious vehicles.

These orders, coupled with the beginnings of a renewal of the bus fleets of the major Spanish cities, are expected to provide a cash-flow cushion and cut losses which for 1981 are estimated at around Pta 10.5bn.

Poor year for Axel Johnson group

By William Duffin, Nordic Editor, in Stockholm

THE Axel Johnson companies, which make up Sweden's third-largest industrial and trading group, have reported poor results for 1981. The ownership pattern is at present being reshuffled and concentrated on the two largest companies, Nordstjernan and A. Johnson and Co., with control remaining in the hands of the Johnson family.

Nordstjernan, which embraces shipping, building, special steel and engineering, showed a pre-tax loss of SKr 42m (\$7.2m) on a consolidated turnover of SKr 8.5bn in its preliminary report for 1981.

The heaviest loss was sustained by the special steel operation, whose result tumbled from a pre-tax profit of SKr 28m in 1980 to a loss of SKr 163m.

The insurance business boosted earnings from SKr 45m to SKr 195m, and the construction business turned in a profit of SKr 44m. Shipping showed a pre-tax loss of SKr 6m.

An extraordinary income of SKr 105m, mostly from sales of ships and property, enables Nordstjernan to show a pre-tax profit of SKr 63m for the year against SKr 28m in 1980.

A. Johnson and Company is divided into Swedish and U.S. companies. The Swedish concern, which trades in oil, coal, special steels, ores, metals and machinery in more than 30 countries, made a pre-tax loss of SKr 57m, down by SKr 96m, on sales totalling SKr 4.2bn. Turnover declined by about SKr 900m, mostly as a result of the restructuring within the group.

A. Johnson and Co Inc, the U.S. company based in New York, operates in oil, stainless steel, metals, engineering and shipping. It reports a pre-tax profit of SKr 97m, ahead by SKr 32m, on sales of SKr 4.8bn, but the figures do not give any indication of extraordinary income.

ANIC, the petrochemical subsidiary of ENI, the Italian state energy group, has signed an agreement with Hercules, the U.S. chemicals group, to produce carbon fibres and thermosetting resins under Hercules' licence.

ANIC said it would start production of the fibres and resins in the second half of 1982 and would market them all in European countries. It did not give any financial details of the deal.

Anic in U.S. fibres agreement

By Our Financial Staff

ANIC, the petrochemical subsidiary of ENI, the Italian state energy group, has signed an agreement with Hercules, the U.S. chemicals group, to produce carbon fibres and thermosetting resins under Hercules' licence.

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A growing international presence. Associated Japanese Bank (International) Limited. The international consortium which provides a full range of services including short, medium and long term credits, Eurocurrency deposits and foreign exchange dealings, underwriting and distribution of securities.

IRELAND U.S. \$50,000,000 Euro-Note Facility. Managed by Swiss Bank Corporation International Limited and Sumitomo Trust International Limited.

THE LONG-TERM CREDIT BANK OF JAPAN FINANCE N.V. U.S. \$75,000,000 Floating Rate Notes 1978-1985. For the six months 12th May 1982 to 12th November 1982. Interest rate of 14 3/4% per annum with a coupon amount of U.S. \$74.11.

Hapoalim International N.V. U.S. \$50,000,000 Guaranteed Floating Rate Notes 1984. For the six months 13/5/82 to 15/11/82. Interest rate of 14 1/2% per annum. Coupon Value US\$758.85. Listed on The Stock Exchange, London. Agent Bank—National Westminster Bank PLC, London.

The Chase Manhattan Corporation. \$150,000,000 150,000 Units \$1,000 15 1/2% Notes due November 1, 1992 and \$1,000 Common Stock Equity Contracts. \$175,000,000 Zero Coupon Notes due May 1, 1992. Lehman Brothers Kuhn Loeb, Merrill Lynch White Weld Capital Markets Group, Salomon Brothers Inc, Morgan Stanley & Co., The First Boston Corporation, Blyth Eastman Paine Webber, Goldman, Sachs & Co., Bache Halsey Stuart Shields, Bear, Stearns & Co., Chase Manhattan Capital Markets Group, Dillon, Read & Co. Inc., Donaldson, Luffkin & Jenrette, Drexel Burnham Lambert, E. F. Hutton & Company Inc., Kidder, Peabody & Co., L. F. Rothschild, Unterberg, Towbin, M. A. Schapiro & Co., Inc., Shearson/American Express Inc., Smith Barney, Harris Upham & Co., Warburg Paribas Becker, Wertheim & Co., Inc., Dean Witter Reynolds Inc. April 30, 1982.

Companies and Markets INTL. COMPANIES & FINANCE

UK ECONOMIC INDICATORS

PETROFINA

Table with 3 columns: Item, 1981, 1980. Rows include consolidated profit, dividends, cash flow, sales, etc.

*The amount distributed to shareholders has increased every year for the last 19 years, rising from 520 million to 4,616 million Belgian francs.

Copies of the English edition of the full report can be obtained on application to Petrofina (UK) Ltd., Petrofina House, York Road, London SE1 7 NL.

VONTBEL EUROBOND INDICES

Table with 4 columns: Index Name, Value, Index Name, Value. Rows include Price Index, DM Bonds, etc.

Static sales and lower profits at Citizen Watch

BY YOKO SHIBATA IN TOKYO

CITIZEN WATCH, Japan's second largest manufacturer of wrist watches, suffered a setback in earnings for the year ended March 31 because of a world-wide over-supply of watches and a decline in unit prices caused by price cutting in competition with Hong Kong companies.

Hindustan Levers to keep foreign control

By R. C. Murthy in Bombay

THE Indian Government has permitted Hindustan Lever, the country's third largest private sector company in terms of sales, to retain a 51 per cent foreign equity shareholding.

Debt problems shake six big South Korean groups

BY ANN CHARTERS IN SEOUL

A MAJOR upheaval in South Korea's unofficial money market, the curb market, has strained the capacity of six major Korean companies to meet their debt obligations and forced the presidents of two of the five Korean commercial banks, the Cho-Hung Bank and the Commercial Bank of Korea, to resign.

Won 262.4bn (US\$366m) which were being held as collateral on loan. The usual practice is for the lenders to hold the notes but they were unexpectedly presented for payment which triggered the companies' financial crisis.

Record year at South African Breweries

By Thomas Sparks in Johannesburg

SOUTH AFRICAN Breweries the country's monopoly brewer which has diversified strongly into hotels, restaurants and retailing earned record profits in the year ended March 31, 1982. Management does not however expect the current year to result in a repeat of the relatively strong growth rates achieved in the recent past.

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with 6 columns: Year, Ind. prod., Mfg. output, Eng. order, Retail vol., Retail value, Unemp. Vacs. Rows for 1981 and 1982 quarterly data.

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with 6 columns: Year, Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mfg., Textile, Houg. starts. Rows for 1981 and 1982 quarterly data.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (Em); oil balance (Em); terms of trade (1975=100); exchange reserves.

Table with 6 columns: Year, Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade, Resv. Rows for 1980 and 1982 quarterly data.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (Em); building societies' net inflow; EP, new credit; all seasonally adjusted. Minimum lending rate (and period).

Table with 6 columns: Year, M1, M3, Bank advances, DCE, BS inflow, HP lending, MLR. Rows for 1981 and 1982 quarterly data.

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices, and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (1975=100).

Table with 6 columns: Year, Earnings, Basic matls., Wholesale, RPI, Foods, FT comdty. Rows for 1981 and 1982 quarterly data.

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

WICKES COMPANIES, INC., a Delaware corporation; THE WICKES CORPORATION; GAMBLE-SKOGMO, INC., a Delaware corporation and affiliates. Debtors. ORDER AND NOTICE FOR MEETING OF CREDITORS...

Weekly net asset value Tokyo Pacific Holdings (Seaboard) N.V. on May 10th 1982, \$U.S.61.75. Listed on the Amsterdam Stock Exchange.

U.S. \$100,000,000 Manufacturers Hanover Overseas Capital Corporation. 13 3/4% Guaranteed Notes due May 15, 1987. With Warrants to Purchase U.S. \$200,000,000 14 3/4% Guaranteed Notes due May 15, 1989.

NOTIFICATION RE PLEADINGS TO BE FILED AND REQUESTS FOR REPRODUCTION. The Office of the Clerk of the Court has directed that: (1) All pleadings be filed in triplicate; (2) All requests for photocopies of pleadings, other than requests for certified copies, be directed to the debtors in possession not to the Clerk's office.

United Plantations lays a path

THE BID late last month for United Plantations, the Danish-controlled Malaysian plantation group, by FIMA, the Malaysian Government-owned, agro-based industrial group, placing a market value of 800m ringgit (US\$260m) on U.P., offers pointers to other foreign-owned plantations here which have yet to be restructured under Malaysia's New Economic Policy.

The UP exercise involved delicate negotiations over six months. To maintain secrecy, the codename "Tebu" or "sugarcane" was given it. The terms offered for UP were about the best afforded a foreign plantation so far. The cordiality in which the discussions were conducted contrasted sharply with the acrimonious tone of the battles of the past years for the takeover of such British groups as Dunlop Estates and Guthrie Corporation.

The New Economic Policy requires foreign companies, as a general rule, to reduce their stakes to 30 per cent by 1990. The broader aim is to obtain a corporate ownership structure of 30 per cent foreign, 30 per cent Malay (or Bumiputra), and 40 per cent local non-Malay by 1990.

Two developments are involved in the United Plantations deal. First, FIMA is making a general offer for UP shares at 6 ringgit cash each. Secondly, UP is finalising negotiations to acquire 30,000 acres of jungle from the Perak State Government for its expansion. When the exercise is over, United Plantations will present this picture:—

● Bumiputra-owned with all the tax and political advantages attached to that status, but with continuing Danish management for a long while yet; ● With an extra 30,000 acres, the group would offer to emerge in the next decade as one of Malaysia's dominant oil palm and cocoa cultivators, with nearly 70,000 acres of high yield crops on prime land;

● It would also be an integrated vegetable oil group, involved in the cultivation, processing, manufacturing and marketing of vegetable oils, having substantial links in Australia and Europe.

The new equity structure remains to be seen, but Dato Bek-Nielsen, the UP chairman and managing director, thinks that FIMA should end up with just over 50 per cent. Danish shareholders, including board members are likely to retain about 15 per cent, with the rest

United Plantations, with 39,000 acres, is not one of the biggest Malaysian plantation companies, but is, nevertheless, significant to the Malaysian and Danish economies. It is listed in both countries.

In 1906, a 47-year-old Danish businessman, Aage Westenholtz, having made his fortune in Thailand, opened a rubber estate at Jendarata in Lower Perak. Over the years, more estates were carved out in Lower Perak, and then were merged into United Plantations.

Dato Bek-Nielsen took over as managing director in 1972, at the age of 56, and became the chairman as well in 1978. He had been with UP for 31 years, joining it as an engineer shortly after graduating from the Copenhagen Engineering College.

"It is through discipline and productivity that UP is what it is today. We are one of the best-managed plantations. We pay the highest wages in the industry. Our workers have an excellent provident fund. We started the first old folks' home in one

of our estates, where old employees are looked after. Our medical and housing facilities are among the best," he says.

Apart from the estates, UP has a number of subsidiaries and associates dealing with agricultural advisory services, palm oil bulking and transportation.

The biggest investment is a 50 per cent share in Unitata, with Tata, the Indian industrial group. The venture is one of Malaysia's biggest and most successful palm oil refiners but, as others, has suffered from the world recession.

UP's Danish ownership is spread over 1,200 shareholders, the biggest among them being Jendarata Provident Fund (9.2 per cent), Hongseng Nominees (7.6 per cent), the Grant family (7.5), the Andersen family (3) and Danish directors personally (4).

Malaysian shareholders include FIMA, Tabung Haji, Riverview Estates, KPM Modal and Rotherputra, with a total of 8 per cent.

in the hands of other Malaysians. Fima already holds 2.5 per cent of UP. The chairman is to be provided by FIMA, but Dato Bek is to remain as chief executive.

Excluding United Plantations' non-plantation interests, worth some 60m ringgit, from the 800m valuation put on UP by the bid leaves the value attaching to UP's plantations at well over 13,000 ringgit (S.U.S.5,600) per acre. This is twice the amount paid for estates acquired by Malaysian groups during the past year.

The high price is, however, a reflection of high returns. In 1980, for example, UP reported after-tax profit of 870 ringgit per mature acre, compared with the 391 ringgit at Dunlop Estates, 294 ringgit at Guthrie Ropel, 501 ringgit at Kuala Lumpur Kepong, and 611 ringgit at Consolidated Plantations, the subsidiary of Sime Darby.

Unlike other groups with a rubber and oil palm mix of one kind or another, UP is most heavily involved in oil palm, and has a growing acreage under cocoa and high yield coconuts. Rubber is the lowest paying of the four crops.

Several groups had been eyeing United Plantations for a long time, and indeed some offered better money a share

than did FIMA, though not in all cases with a view to making a general bid.

Genting, the casino, hotel and plantation group, controlled by the Lim family, offered seven ringgit per share, but wanted, in tandem with another group, only 35 per cent of the equity.

After the Dunlop Estates controversy, where the purchase by the Chinese-owned Multi-Purpose Holdings was attacked by the Malay leadership, the U.P. Board saw the difficulties in offering control to another Chinese group.

The takeover of Dunlop Estates and that of Guthrie Corporation last year raised high controversy in Kuala Lumpur and London. Multi-Purpose Holdings, the investment arm of the Malaysian-Chinese Association bought the 51 per cent stake in Dunlop Estates held by Dunlop Holdings of the UK for 252m ringgit (US\$110m). This satisfied one point of the NEP objectives, in buying out a foreign shareholder, but aroused bitterness between the Malaysian-Chinese and the Bumiputras over the broad application of the NEP.

In the case of Guthrie, a UK-based concern being its takeover by Permodalan, the Malaysian Government investment agency, disquiet arose

from its being accomplished by a dawn raid on Guthrie shares in London, and was quickly followed by a revision of London take-over rules.

Dato Bek is enthusiastic about UP's future after the changes.

The 30,000 acres of jungle it plans to acquire are next door to its own Bernam estates in Lower Perak. The land is flat and ideal for cocoa and oil palm. "Just imagine having a single 40,000 acre estate and the economies of scale. This is unheard of in South East Asia," he says.

UP is cash rich, and it should be able to develop the land largely from its own funds. Discussions are going on on the purchase of the land, so that no price is fixed, but the general going rate for jungle land for agriculture is currently around 1,000 ringgit an acre, making a price on this basis of 30m ringgit (US\$12m). Because it is jungle development involved, the cost could under the tax laws, be written off in two years.

United Plantations is also expanding overseas, as well as getting into more sophisticated activities in the vegetable oils industry. It has taken up a 20 per cent stake in a venture in Australia to cultivate sunflower and cotton over 33,000 acres in Queensland, in partnership with International Plantations and Finance (IPF), of the Bahamas, and Aarhus Oliefabrik, of Denmark, the initial development costs of which are about A\$5m (US\$5.3m).

It is also investing £4m in a 20 per cent stake in a company to build a plant on the Hull waterfront, in England, together with Aarhus Oliefabrik, supplying technology, and IPF, for the extraction of high value by-products of palm oil and cocoa butter fats.

The United Plantations takeover means that there are only four large foreign plantation groups which have yet to be restructured.

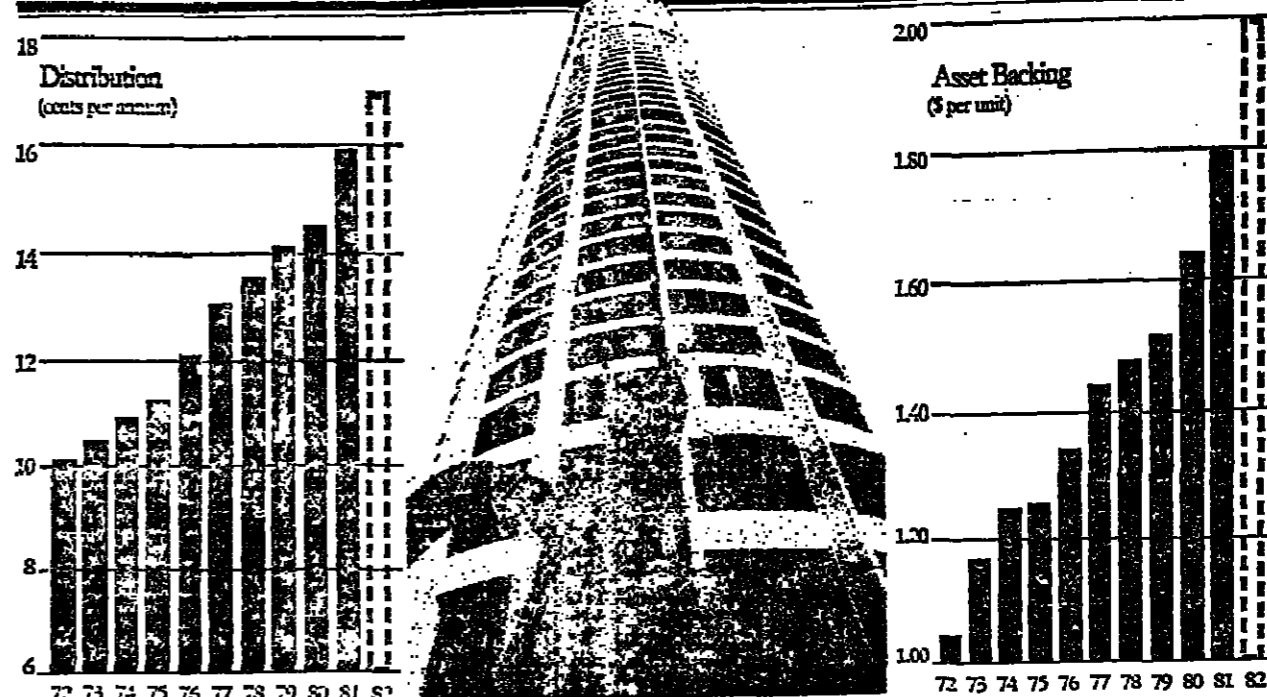
One, Socfin, the French-Belgium group, with 70,000 acres, is advanced in its plans to meet the NEP.

The other three are the British-owned Horisons and Crossfield group, with 200,000 acres, the offshoot of Unilever, (the Anglo-Dutch group), with 50,000 acres, and the operations of the Uniroyal group of the U.S., with some 30,000 acres.

Wong Sulong

مكتبة من الكتب

Higher payout and asset backing forecast for General Property Trust



"GENERAL PROPERTY TRUST HAS INCREASED ITS RETURN IN DISTRIBUTIONS TO UNITHOLDERS IN EVERY YEAR SINCE ITS INCEPTION. AT THIS STAGE WE BELIEVE THAT RATE TO BE ABLE TO BE INCREASED (SUBJECT TO CURRENT RENTAL TRENDS CONTINUING) TO 16.8 CENTS PER UNIT."

Extracts from an address to a meeting held on 28 April 1982 of General Property Trust. Chairman, Mr. G. J. Dewar, Group of Lend Lease Management Limited, the Trust's Manager, the chair, with the explanatory comment, was shown at the meeting.

"INCREASED RETURNS HAVE BEEN CAPITALISED IN THE VALUE OF THE UNDERLYING PROPERTIES. THE ASSET BACKING IS EXPECTED TO BE APPROXIMATELY \$2.00 PER UNIT AT THE END OF THIS YEAR (SUBJECT TO CURRENT RENTAL TRENDS AND PROPERTY YIELDS CONTINUING)."

SECURITY "The overriding consideration in the conduct of the General Property Trust is the security of the capital subscribed by the Unitholders. The choice of investment is a reflection of that security. Without undue modesty we are proud of our record in that respect, but there are other factors. We have refrained from increasing the size of the Trust. This way the Trust cannot be caught out in a refinancing and when old issues fall due and new ones are unobtainable. The Trust is unique in the respect and its value has gradually declined on investors and analysts alike."

DEED AMENDMENTS "Because of uncertainty over the amount of New South Wales Stamp Duty, amendments to the Trust Deed, which would have enabled greater placements to be made other than at market price to the Trustee of the Distribution Plan and related capital gain to be distributed, will not be executed."

IDEAL INVESTMENT "Compared with the Consumer Price Index, General Property Trust has kept ahead of inflation by a wide margin throughout almost all its existence. This is true against alternative forms of publicly traded securities. I have no hesitation in concluding that the Trust is an ideal investment for those who cannot afford to gamble with their savings. Any investment portfolio should be partially invested in General Property Trust to provide a solid foundation in the event market forces upset more vulnerable investments."

TAXATION "You will be aware that in July, 1980, the Australian Treasurer released a statement that certain types of property trusts would be subject to company tax. Legislation to this effect was adopted by Federal Parliament in November, 1981. A submission was made to the



Lend Lease Management Limited Australia Square, SYDNEY 2000, Telephone: (02) 2 0580

Can. \$40,000,000 Simpsons-Sears Acceptance Company Limited

16 3/4% Secured Debentures Series X due April 28, 1989 Unconditionally and irrevocably guaranteed by Simpsons-Sears Limited

Issue Price 100% Wood Gundy Limited

- Bank Brussel Lambert N.V. Société Generale de Banque S.A. Amro International Limited Banque Générale du Luxembourg S.A. Credit Suisse First Boston Limited Deutsche Bank Aktiengesellschaft Hambros Bank Limited Merrill Lynch International & Co. Orion Royal Bank Limited Société Générale Swiss Bank Corporation International Limited Dean Witter Reynolds Overseas Ltd. Algemene Bank Nederland N.V. Banca del Gottardo Bank Gutzwiller, Kurz, Bungenier (Overseas) Limited Bank Heusser & Cie AG Bank Leu International Ltd. Bankhaus Hermann Lampe Kommanditgesellschaft Banque Internationale à Luxembourg S.A. Banque Nationale de Paris Banque de l'Union Européenne Banque Worms Baring Brothers & Co. H. Albert de Bary & Co. NV. Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Bayerische Vereinsbank Berliner Handels- und Frankfurter Bank Bayerische Landesbank Girozentrale CIBC Limited Caisse Centrale des Banques Populaires Chase Manhattan Bank Breitsch Pfirsch Schoeller Bankkommanditgesellschaft Commerzbank Compagnie de Banque et d'Investissements (Underwriters) S.A. Christiania Bank og Kreditkasse Aktiengesellschaft Crédit Commercial de France Crédit Général S.A. de Banque Continental Illinois County Bank Limited Daiwa Europe NV. Richard Daus & Co. Bankiers vormals Hans W. Pötzner Crdit Industriel d'Alsace et de Lorraine S.A. Deutsche Girozentrale Deutsche Kommersbank DG Bank Deutsche Genossenschaftsbank Dominion Securities Ames Dresdner Bank Aktiengesellschaft European Banking Company Genossenschaftliche Zentralbank AG Girozentrale und Bank der Österreichischen Sparkassen Handelsbank NW. (Overseas) Hessische Landesbank Aktiengesellschaft Hill Samuel & Co. Green Shields The Hongkong Bank Group Japan International Bank Limited Kidder Peabody International Ewan Lanschot, Bankiers NV. Lehman Brothers Kuhn Loeb International, Inc. LTB International Limited McLeod Young Weir International Marck Finck & Co. Midland Doherty Mitsubishi Bank (Europe) S.A. Nederlandse Credietbank NV. The Nikko Securities Co. (Europe) Ltd. Norddeutsche Landesbank Girozentrale Nordici Bank Österreichische Länderbank A.G. Sal. Oppenheim jr. & Cie. Parson, Feldring & Parson NV. Peterbroeck, Van Campenhout & Cie S.C.S. Prifield Mackay Ross Limited Renouf International (N.Z.) Richardson Securities of Canada (U.K.) Limited Salmon Brothers International Sanwa Bank (Underwriters) Schoeller & Co. Schröder, Münchmeyer, Hengst & Co. J. Henry Schroder Wegg & Co. Skandinaviska Enskilda Banken N.V. Slavenburg's Bank Société Ségurmeise de Banque Union Bank of Switzerland (Securities) Verband Schweizerischer Kantonalbanken Vereins- und Westbank Aktiengesellschaft S.G. Warburg & Co. Ltd. Westfalenbank Aktiengesellschaft Zentralsparkasse und Kommerzbank Aktiengesellschaft

AUTOPISTA VASCO-ARAGONESA, CONCESIONARIA ESPAÑOLA, S.A.

US \$ 60,000,000 Medium-Term Multicurrency Loan partly guaranteed by THE STATE OF SPAIN

Lead-Managed by ALLIED IRISH BANKS LIMITED, Brussels BANQUE EUROPÉENNE DE CRÉDIT (BEC) BANQUE EUROPÉENNE DE TOKYO LANDESBANK RHEINLAND-PFALZ UND SAAR INTERNATIONAL S.A., Luxembourg CAJA DE AHORROS DE ZARAGOZA, ARAGÓN Y RIOJA "CAZAR"

Managed by ARAB BANK INVESTMENT COMPANY LIMITED CAISSE GÉNÉRALE D'ÉPARGNE ET DE RETRAITE - ALGEMENE SPAAR- EN LIJFRENTKAS PARTNERSHIP PACIFIC BANK N.V. SECURITY PACIFIC BANK THE BANK OF YOKOHAMA, LTD.

Provided by ALLIED IRISH BANKS LIMITED, Brussels BANQUE EUROPÉENNE DE CRÉDIT (BEC) BANQUE EUROPÉENNE DE TOKYO LANDESBANK RHEINLAND-PFALZ UND SAAR INTERNATIONAL S.A., Luxembourg ARAB BANK LIMITED CAISSE GÉNÉRALE D'ÉPARGNE ET DE RETRAITE - ALGEMENE SPAAR- EN LIJFRENTKAS PARTNERSHIP PACIFIC BANK N.V. SECURITY PACIFIC BANK THE BANK OF YOKOHAMA, LTD. DEN NORSKE CREDITBANK (LUXEMBOURG) S.A. ÖSTERREICHISCHE VOLKSBANKENAKTIEGESELLSCHAFT ALGEMENE SPARKASSE BANK OPPENHEIM PIERSOEN INTERNATIONAL S.A. CAJA DE AHORROS DE GALICIA CAJA D'ESTALVIS DE CATALUNYA CAJA D'ESTALVIS DE SABADELL CAJA DE AHORROS DE JEREZ DE LA FRONTERA CAJA DE AHORROS Y MONTE DE PIEDAD DE LA CIUDAD DE VITORIA CAJA PROVINCIAL DE AHORROS DE ALAVA SPAREKASSEN S.D.S. Cayman Islands Branch

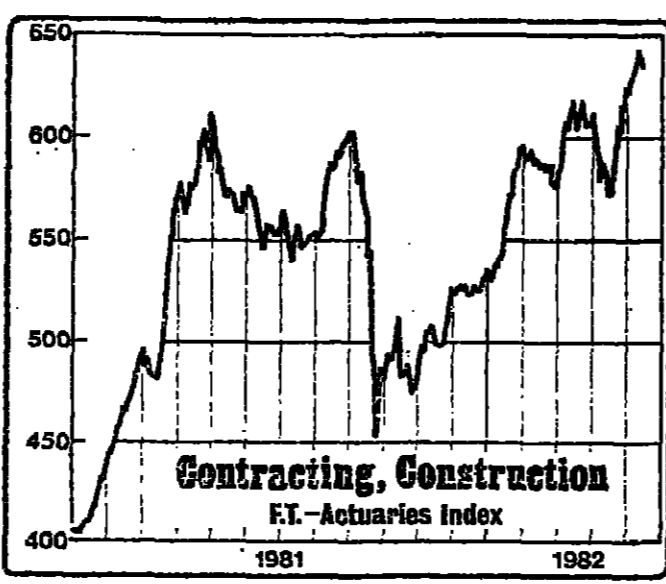
Agent BANQUE EUROPÉENNE DE CRÉDIT (BEC)

April 1982

Markets make progress as hopes of peaceful solution to Falklands crisis revive—Share index up 5.8

Account Dealing Dates
Option
First Declared Last
Dealing Date
Apr 19 Apr 23 Apr 29 May 10
Apr 29 May 13 May 14 May 21
May 1 June 3 June 4 June 14

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Dealing Date
Apr 19 Apr 23 Apr 29 May 10
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Newall closing 3 dearer at 65p.
Trafalgar House put on 3 to 125p
in response to the satisfactory
half-yearly figures. Elsewhere,

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RECENT ISSUES

Table of recent issues with columns for Issue Price, Amount Paid, Latest Date, and Stock details.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue Price, Amount Paid, Latest Date, and Stock details.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue Price, Amount Paid, Latest Date, and Stock details.

ACTIVE STOCKS

Table of active stocks with columns for Stock, Closing Price, Day's Change, and Stock details.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's active stocks with columns for Stock, Closing Price, Day's Change, and Stock details.

FINANCIAL TIMES STOCK INDICES

Table of Financial Times Stock Indices with columns for Index Name, May 11, and May 10.

HIGHS AND LOWS S.E. ACTIVITY

Table of Highs and Lows S.E. Activity with columns for Index Name, High, Low, and S.E. Activity.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Equity Groups, Index Name, and Index Value.

FIXED INTEREST

Table of Fixed Interest with columns for Price Indices, Index Name, and Index Value.

Price yield, Highs and Lows recent, base dates, values and constituent changes are published in Saturday issues.

Contracting, Construction

Contracting, Construction
FT-Actuaries Index
1981 1982

Royals dip & rally

Royals dip & rally
Despite reporting first-quarter figures at the bottom end of market estimates...

Woolworths easier

Woolworths easier
Woolworths split an otherwise quiet firm performance by the Store majors...

Glaxo up again

Glaxo up again
Buyers remained particularly interested in Glaxo on hopes that the group may soon gain approval to market its Zantac anti-ulcer drug...

NEW HIGHS AND LOWS FOR 1982

Table of New Highs and Lows for 1982 with columns for Index Name, High, and Low.

APPOINTMENTS

Marketing director for BP Oil
Mr John Hawkshaw has been appointed marketing director of BP Oil...

OPTIONS

Options
First Last
Deal-Declar-Settle
First Inception ment
1st 10 May 21 Aug 12 Aug 13
May 24 June 11 Sept 2 Sept 13
May 24 June 25 Sept 12 Sept 27

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday with columns for Index Name, Rise/Fall, and Value.

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Table of active stocks with columns for Stock, Closing Price, Day's Change, and Stock details.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's active stocks with columns for Stock, Closing Price, Day's Change, and Stock details.

CONTRACTS

£1.3m work for William Davis
WILLIAM DAVIS of Loughborough has won contracts worth £1.3m from local authorities in the east Midlands.

Marketing director for BP Oil
Mr John Hawkshaw has been appointed marketing director of BP Oil...

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CURRENCIES and MONEY

Pound improves

Sterling was firmer against most currencies yesterday, underpinned by encouraging economic statistics and hopes of an early settlement to the Falklands crisis.

The dollar recovered from earlier levels having been sold initially on further evidence on a weakening U.S. economy. Euro-dollar rates were marginally easier when changed.

Federal funds quoted higher on technical factors. The D-mark remained the strongest member of the European Monetary System yesterday followed by the Danish krone.

Elsewhere the Canadian dollar continued to fall as the market reacted to a further deterioration in the economy. The Canadian dollar fell to 80.69 U.S. cents from 81.21.

was only slightly down from Tuesday's level of DM 2.2825. It rose against the Swiss franc to SwFr 1.9250 from SwFr 1.9090 and against the Japanese yen to Y233.5 from Y232.5.

The D-mark — EMS member (strongest). Trade weighted index unchanged at 125.5 and 123.9 six months ago. Three-month interbank rate 12.5 per cent (11.30 per cent six months ago). Annual inflation 5 per cent (5.3 per cent previous month).

The D-mark was slightly weaker within the EMS yesterday but maintained its position as the strongest currency and was still just above its maximum divergence limit. The dollar was fixed a little lower at DM 2.2765 compared with DM 2.2782 and there was no intervention by the Bundesbank.

STERLING — Trade weighted index 90.4 against 90.5 at noon, 90.3 at the opening and 90.1 on Tuesday (89.4 six months ago). Three-month interbank rate 13 per cent (15.7 per cent six months ago). Annual inflation 10.4 per cent (11.1 per cent previous month).

THE POUND SPOT AND FORWARD

Table with columns: May 12, Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, West Germany, Denmark, Ireland, W. Ger., Portugal, Spain, Norway, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: May 12, Day's spread, Close, One month, % Three months, % Six months. Rows include U.K., Ireland, Canada, West Germany, Denmark, Ireland, W. Ger., Portugal, Spain, Norway, Sweden, Japan, Austria, Switzerland.

CURRENCY MOVEMENTS

Table with columns: May 12, Bank of England, Morgan Guaranty, % change, Divergence limit. Rows include Sterling, U.S. dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table with columns: May 12, £, \$, Note Rates. Rows include Argentina, Australia, Brazil, Finland, Greece, Hong Kong, Iran, Kuwait, Malaysia, New Zealand, Saudi Arabia, Singapore, Sri Lanka, U.A.E., U.S. African.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, Divergence limit. Rows include Belgium, Denmark, German, French, Dutch, Irish, Italian.

EXCHANGE CROSS RATES

Table with columns: May 12, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 12)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars. Rows include bid 146/16, offer 147/18, bid 14/14, offer 14/18.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: May 12, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone.

MONEY MARKETS

London rates easier. UK clearing bank base lending rate 13 per cent (since March 12). Exchequer transactions +£60m.

MONEY RATES

Table with columns: New York, Germany, France, Japan. Rows include Prime rate, Fed funds, Treasury bills, etc.

EUROCURRENCIES

Firm tone. Eurocurrency interest rates had a nervous underlying tone yesterday, reflecting fears about devaluations of the weaker members of the European Monetary System.

London rates easier

UK clearing bank base lending rate 13 per cent (since March 12). Exchequer transactions +£60m. In the morning the Bank of England gave £100m of assistance to the market.

NEW YORK

Prime rate 15.75-16. Fed funds (lunch-time) 15.75-16. Treasury bills (13-week) 12.25. Treasury bills (26-week) 12.20.

GERMANY

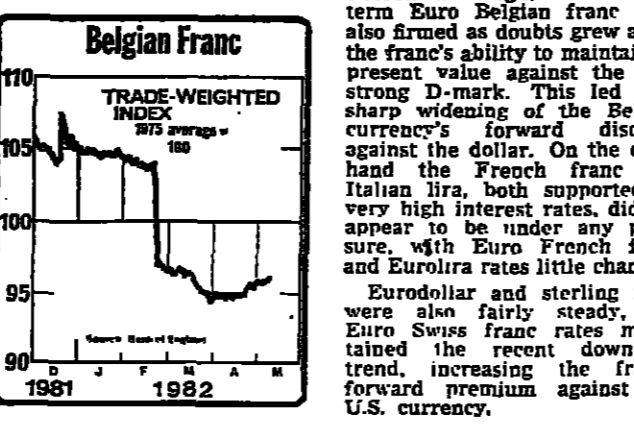
Overnight rate 8.00. One month 8.00. Three months 8.00. Six months 8.00.

FRANCE

Overnight rate 16.0. One month 16.75. Three months 16.75. Six months 16.75.

JAPAN

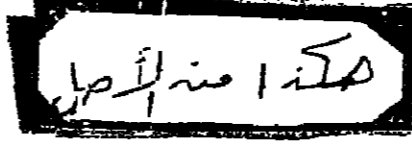
Discount rate 5.5. Call (unconditional) 7.0277. Bill discount (three-month) 7.1629.



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various unit trusts and their performance. Columns include trust names, managers, and performance metrics. Includes sub-sections like 'Authorised Trusts', 'Unit Trusts', and 'Investment Funds'.



Vertical text on the left edge of the page, possibly from an adjacent page or a scanning artifact.

INSURANCES

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., ANEV Life Assurance Ltd., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds, including Life Assur. Co. of Pennsylvania, Prudential Savings Group, and Sun Life of Canada (UK) Ltd.

Table listing various financial services and companies, including British Management Limited, Great Fund Mgmt. (Jersey) Ltd., and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas financial services, including Fidelity International, Anglo Investment, and others.

NOTES section at the bottom right of the page, providing additional information and disclaimers.

Handwritten note: 150

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

LEISURE—Continued

Table of leisure-related stocks such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

PROPERTY—Continued

Table of property-related stocks including various real estate and construction companies. Columns include stock name, price, and change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

OIL AND GAS—Continued

Table of oil and gas stocks including various energy and petrochemical companies. Columns include stock name, price, and change.

Saitama Bank advertisement with logo and contact information for Tokyo, London, and Saitama branches.

MINES—Continued

Table of mining stocks categorized by region: Central African, Australian, and Tires. Columns include stock name, price, and change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aviation-related companies. Columns include stock name, price, and change.

SHIPPING

Table of shipping stocks including various maritime and logistics companies. Columns include stock name, price, and change.

SHOES AND LEATHER

Table of shoes and leather stocks including various footwear and leather goods companies. Columns include stock name, price, and change.

SOUTH AFRICANS

Table of South African stocks including various companies from that region. Columns include stock name, price, and change.

TEXTILES

Table of textile stocks including various clothing and fabric companies. Columns include stock name, price, and change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including various media companies. Columns include stock name, price, and change.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including various media and service companies. Columns include stock name, price, and change.

TOBACCO

Table of tobacco stocks including various tobacco companies. Columns include stock name, price, and change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various financial and real estate companies. Columns include stock name, price, and change.

PROPERTY

Table of property stocks including various real estate and construction companies. Columns include stock name, price, and change.

INSURANCE

Table of insurance stocks including various insurance companies. Columns include stock name, price, and change.

LEISURE

Table of leisure stocks including various entertainment and recreation companies. Columns include stock name, price, and change.

RUBBERS AND SISALS

Table of rubber and sisal stocks including various commodity companies. Columns include stock name, price, and change.

TEAS

Table of tea stocks including various commodity companies. Columns include stock name, price, and change.

MINES

Table of mining stocks including various energy and petrochemical companies. Columns include stock name, price, and change.

FOR WEST RAND

Table of mining stocks for the West Rand region. Columns include stock name, price, and change.

O.F.S.

Table of O.F.S. stocks including various commodity companies. Columns include stock name, price, and change.

FINANCE

Table of finance stocks including various financial companies. Columns include stock name, price, and change.

OIL AND GAS

Table of oil and gas stocks including various energy and petrochemical companies. Columns include stock name, price, and change.

Diamond and Platinum

Table of diamond and platinum stocks including various commodity companies. Columns include stock name, price, and change.

Copper

Table of copper stocks including various commodity companies. Columns include stock name, price, and change.

Miscellaneous

Table of miscellaneous stocks including various commodity companies. Columns include stock name, price, and change.

NOTES

Notes section containing various financial notices, market updates, and company announcements.

REGIONAL MARKETS

Table of regional market data for various countries and regions. Columns include market name, price, and change.

OPTIONS

Table of options data including 3-month call rates and other derivatives information. Columns include option name, price, and change.

bank leumi (uk) plc. Whatever you want from a bank.

Cheverton Workboots

Dutch government falls over cuts row

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH coalition government of Premier Andries Van Agt collapsed yesterday following the rejection by the Labour Party of large-scale spending cuts being sought by the dominant Christian Democrats.

Mr Van Agt announced he was informing Queen Beatrix of the resignation of the Netherlands' 16th post-war government.

This followed a decision by Labour's six ministers to cease serving in the 15-member Cabinet because of the spending cuts which Mr Van Agt said, were needed this year and next to trim the Government's budget deficit.

The three-party centre-left coalition was formed only last autumn after three and a half months of negotiations following the spring general election.

The other partner was the Liberal Progressive Democrats. Mr Joop den Uyl, the Labour Party leader, and his party colleagues in the cabinet have argued that the Christian Democrats, aided by the centrist Democrats '66, had reneged on the Good Friday Accord, a compromise on economic policy worked out after protracted coalition talks last Easter.

£3.5m loss for Royal Insurance

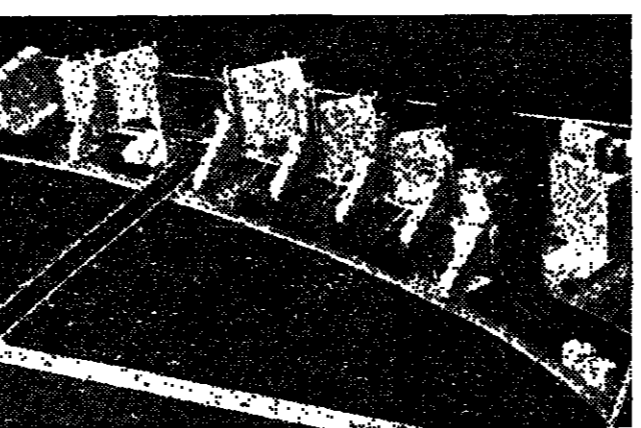
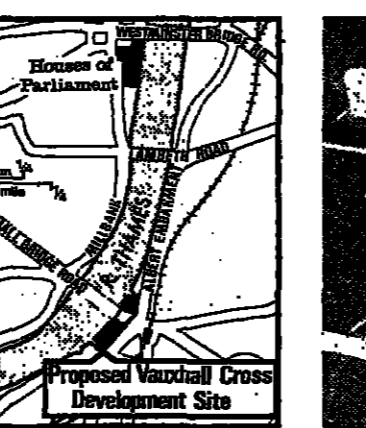
By Eric Short

ROYAL INSURANCE, one of the largest insurance groups, has had about £22m on houses in December was more than £40m. Royal is the third major insurance group to record pre-tax losses for the first quarter, following Commercial Union and General Accident.

Winning design for Green Giant site

BY ANDREW TAYLOR

A SMALL FIRM of architects, backed by the consulting engineer for the Pompidou arts centre in Paris, has won the design competition for the controversial £200m commercial property development for the southern end of London's Vauxhall Bridge.



A design competition was proposed by Mrs Michael Heseltine, Environment Secretary, after several schemes for the 12-acre Thameside site, including the Green Giant tower block, had been rejected at public inquiries.

The winning design, submitted by Sebire Allsop and Mr Ted Hoppold, senior partner of Buro Hoppold, consulting engineers, has been passed to Mr Heseltine, who must decide in the next few weeks whether to place the plans before Parliament.

The project involves more than 1m sq ft gross of offices in six separate zigzag blocks ranging in size from 1,000 sq ft to 320,000 sq ft. The office blocks will be buttressed by terraced blocks of flats comprising 211 one- to four-bedroom dwellings.

Public facilities are to be situated in a glazed mall running the length of the site. Plans include around 50,000 sq ft of shopping, two public houses, a leisure centre and riverside walk.

Jets down

military action to be reported since Monday night, when British ships boarded the coast near Fort Stanley and the Sound between East and West Falkland. That incident has still not been confirmed in Buenos Aires. Argentina was also silent last night on the Skyhawks.

EEC ready

loss of life in the South Atlantic on Argentina's failure to comply with UN resolution 502. The motion also urged EEC ministers to remember that the rule of international law was at stake in the Falklands conflict, as well as the authority of the UN and the solidarity of the Community.

Optimism of settlement grows

Argentine sovereignty over the Falklands. Sr Enrique Ros, Argentina's negotiator, said of Britain's expression of hope: "It is nothing more than a sign that they are interested in these ideas."

Continued from Page 1

for the Government in today's debate. Both Mr Michael Foot, the leader and Mr Denis Healey, the deputy leader, told a meeting of the Parliamentary Labour Party that Labour should act as a moderating influence to reinforce the group in the cabinet favouring a peaceful settlement. If Labour withdrew its support now, they warned, the party would lose credibility and the Tory right would be strengthened.

Continued from Page 1

A sizeable group of Tory MPs is worried that the Foreign Office may be willing to make concessions to obtain a deal. Many of these MPs believe key principles of the restoration of British administration and the need to keep islanders wishes paramount have already been compromised in the U.S./Peruvian proposals, rejected by Argentina last week though acceptable to Britain.

Haggas family buys back textile business

BY ANTHONY MORETON, TEXTILE CORRESPONDENT

MR BRIAN HAGGAS, 50, has agreed to pay £9.2m in cash to buy back from Dawson International the Keighley spinning and knitting businesses carried on under his family name. Dawson bought John Haggas last in 1978 for £24.9m. At that time the Haggas family interests received some £12.5m as their share of the sale.

Mr Smith said last night: "Brian is a great entrepreneur with a two-product company, but it is perhaps not an international group man. He is a paternalist at heart and happiest within his own company."

Mr Haggas said that a Scottish company could not be run from Yorkshire, and he had no wish to tear up his family roots. "Dawson is a producer of high-quality Scottish knitwear and that is where its future profits and growth will come from."

His reasons for buying back particularly well under the Dawson banner. When it was taken over it was contributing £2.5m a year to Dawson, whose pre-tax profits have jumped from £15.53m in 1978 to £20.67m last year. But this contribution is now down to £1.5m.

Weather

UK TODAY. MOSTLY dry with sunny periods. Cloud in E Scotland and N England and some rain in W and SW England.

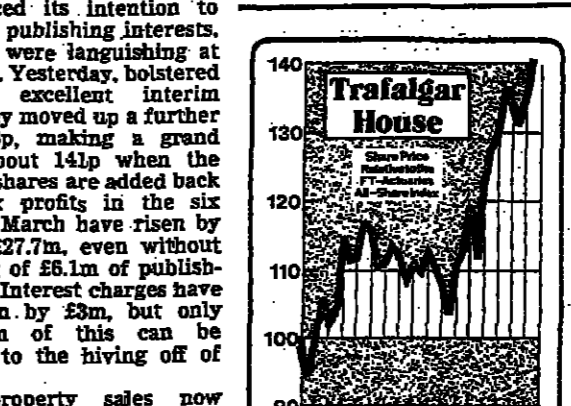
Worldwide

Table with columns for location and temperature (Y'day, N'day). Locations include Ajaccio, Algiers, Athens, Barcelona, Beirut, Belfast, Bern, Birmingham, Blackpool, Bordeaux, Bologna, Brasov, Brussels, Bucharest, Cardiff, Cascaes, Cologne, Copenhagen, Curitiba, Dublin, Edinburgh, Faro, Frankfurt, Geneva, Glasgow, Gwangju, Hamburg, Harbin, Helsinki, Innsbruck, Inverness, Irbid, Jeddah, Jerusalem, Lima, London, Lyons, Madrid, Malaga, Manila, Moscow, Newcastle, New York, Nice, Oporto, Oslo, Paris, Prague, Rome, Stockholm, Tbilisi, Toronto, Warsaw, Zurich.

THE LEX COLUMN

Lighter ballast at Trafalgar

Index rose 5.8 to 590.0



Trafalgar is a powerful advertisement for the benefits of demerger. Last year, before it announced its intention to hive off its publishing interests, the shares were languishing at around 80p.

Coats Patons

Coats Patons seems to be winning the battle against falling demand. Overall volume has dropped back by a further 3 1/2 per cent in 1981, yet pre-tax profits are up by £3.8m to £74.8m.

Royal Insurance

Royal Insurance has suffered as badly at the hands of the winter weather as its rivals, reporting a first quarter loss of £26.7m last time. But at least there is evidence that last year's heavy loss makers, Australia and Canada, are starting to turn round and the shares finished 3p higher at 346p.

in Europe before costs are brought into line with reduced demand. Nevertheless, the group is now beginning to expand again, mainly in the U.S.

European Ferries has repaired most of the damage caused by cross-channel ferry losses during its first six months. Group profits for the full year to December are still 28 per cent lower at £21.8m but an upward trend has categorically been restored.

Govt. borrowing

A central Government borrowing requirement of £15m for April has got the new financial year off to what was regarded yesterday by the gilt-edged analysts as a slightly below par first month. There is no great sign of further repayments of the remaining revenue backlog due to last year's civil service dispute, and before very long the authorities could feel the need to make a delayed start on the 1983-84 funding programme.

ADVERTISEMENT

NEWS REVIEW

BUSINESS

Microwave links for Eastern Gas. British Gas, Eastern Region, has ordered Ferranti Type 1400 microwave radio relay equipment. A two-hop system will extend the capacity and performance of a ring route within the Eastern Gas Regional Microwave Radio Network.

ENGINEERING

New laser project. Professional Components Department of Ferranti plc has leased an additional factory unit in Dundee to house a new Optical Components Group. During the next three years, approximately 100 new jobs will be created in the field of carbon dioxide lasers and allied optical component production.

AVIONICS

Blue Fox radar for Indian Sea Harriers. The first Ferranti Blue Fox radar for the Indian Navy's Sea Harrier aircraft was recently delivered from the Company's Radar Systems Department in Edinburgh.

Testing investment

The Weapons Equipment Department of Ferranti Instrumentation Ltd has recently taken a lead in environmental testing facilities by investing in a highly versatile, totally microprocessor controlled, panoramic chamber.

The good news is FERRANTI Selling technology